

112TH CONGRESS
1ST SESSION

S. 1789

To improve, sustain, and transform the United States Postal Service.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 2, 2011

Mr. LIEBERMAN (for himself, Ms. COLLINS, Mr. CARPER, and Mr. BROWN of Massachusetts) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To improve, sustain, and transform the United States Postal Service.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “21st Century Postal
5 Service Act of 2011”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

- Sec. 101. Treatment of surplus contributions to Federal Employees Retirement System.
- Sec. 102. Additional service credit.
- Sec. 103. Medicare coverage for Postal Service Medicare eligible annuitants.
- Sec. 104. Restructuring of payments for retiree health benefits.
- Sec. 105. Postal Service Health Benefits Program.
- Sec. 106. Arbitration; labor disputes.

TITLE II—POSTAL SERVICES AND OPERATIONS

- Sec. 201. Postal facilities.
- Sec. 202. Additional Postal Service planning.
- Sec. 203. Area and district office structure.
- Sec. 204. Retail service standards.
- Sec. 205. Conversion of door delivery points.
- Sec. 206. Limitations on changes to mail delivery schedule.
- Sec. 207. Time limits for consideration of service changes.
- Sec. 208. Public procedures for significant changes to mailing specifications.
- Sec. 209. Nonpostal products and services.

TITLE III—FEDERAL EMPLOYEES' COMPENSATION ACT

- Sec. 301. Short title; references.
- Sec. 302. Federal workers compensation reforms for retirement-age employees.
- Sec. 303. Augmented compensation for dependents.
- Sec. 304. Schedule compensation payments.
- Sec. 305. Vocational rehabilitation.
- Sec. 306. Reporting requirements.
- Sec. 307. Disability management review; independent medical examinations.
- Sec. 308. Waiting period.
- Sec. 309. Election of benefits.
- Sec. 310. Sanction for noncooperation with field nurses.
- Sec. 311. Subrogation of continuation of pay.
- Sec. 312. Social Security earnings information.
- Sec. 313. Amount of compensation.
- Sec. 314. Technical and conforming amendments.
- Sec. 315. Regulations.

TITLE IV—OTHER MATTERS

- Sec. 401. Profitability plan.
- Sec. 402. Postal rates.
- Sec. 403. Cooperation with State and local governments; intra-Service agreements.
- Sec. 404. Shipping of wine and beer.
- Sec. 405. Annual report on United States mailing industry.
- Sec. 406. Use of negotiated service agreements.
- Sec. 407. Contract disputes.
- Sec. 408. Contracting provisions.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

1 (1) COMMISSION.—The term “Commission”
2 means the Postal Regulatory Commission.

3 (2) POSTAL SERVICE.—The term “Postal Serv-
4 ice” means the United States Postal Service.

5 **TITLE I—POSTAL WORKFORCE** 6 **MATTERS**

7 **SEC. 101. TREATMENT OF SURPLUS CONTRIBUTIONS TO** 8 **FEDERAL EMPLOYEES RETIREMENT SYSTEM.**

9 Section 8423(b) of title 5, United States Code, is
10 amended—

11 (1) by redesignating paragraph (5) as para-
12 graph (6); and

13 (2) by inserting after paragraph (4) the fol-
14 lowing:

15 “(5)(A) In this paragraph, the term ‘surplus postal
16 contributions’ means the amount by which the amount
17 computed under paragraph (1)(B) is less than zero.

18 “(B) For each fiscal year in which the amount com-
19 puted under paragraph (1)(B) is less than zero, upon re-
20 quest of the Postmaster General, the Director shall trans-
21 fer to the United States Postal Service from the Fund an
22 amount equal to the surplus postal contributions for that
23 fiscal year for use in accordance with this paragraph.

24 “(C) For each of fiscal years 2012, 2013, and 2014,
25 if the amount computed under paragraph (1)(B) is less

1 than zero, a portion of the surplus postal contributions
2 for the fiscal year shall be used by the United States Post-
3 al Service for the cost of providing to employees of the
4 United States Postal Service who voluntarily separate
5 from service before October 1, 2014—

6 “(i) voluntary separation incentive payments
7 (including payments to employees who retire under
8 section 8336(d)(2) or 8414(b)(1)(B) before October
9 1, 2014) that may not exceed the maximum amount
10 provided under section 3523(b)(3)(B) for any em-
11 ployee; and

12 “(ii) retirement service credits, as authorized
13 under section 8332(p) or 8411(m).

14 “(D) Any surplus postal contributions for a fiscal
15 year not expended under subparagraph (C) may be used
16 by the United States Postal Service for the purposes of—

17 “(i) repaying any obligation issued under sec-
18 tion 2005 of title 39; or

19 “(ii) making required payments to—

20 “(I) the Employees’ Compensation Fund
21 established under section 8147;

22 “(II) the Postal Service Retiree Health
23 Benefits Fund established under section 8909a;

24 “(III) the Employees Health Benefits
25 Fund established under section 8909; or

1 “(IV) the Civil Service Retirement and
2 Disability Fund.”.

3 **SEC. 102. ADDITIONAL SERVICE CREDIT.**

4 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section
5 8332 of title 5, United States Code, is amended by adding
6 at the end the following:

7 “(p)(1)(A) For an employee of the United States
8 Postal Service who is covered under this subchapter and
9 voluntarily separates from service before October 1, 2014,
10 at the direction of the United States Postal Service, the
11 Office shall add not more than 1 year (as specified by the
12 United States Postal Service) to the total creditable serv-
13 ice of the employee for purposes of determining entitle-
14 ment to and computing the amount of an annuity under
15 this subchapter (except for a disability annuity under sec-
16 tion 8337).

17 “(B) An employee who receives additional creditable
18 service under this paragraph may not receive a voluntary
19 separation incentive payment from the United States
20 Postal Service.

21 “(2)(A) Subject to subparagraph (B), and notwith-
22 standing any other provision of law, no deduction, deposit,
23 or contribution shall be required for service credited under
24 this subsection.

1 “(B) The actuarial present value of the additional li-
2 ability of the United States Postal Service to the Fund
3 resulting from this subsection shall be included in the
4 amount calculated under section 8348(h)(1)(A).”.

5 (b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
6 Section 8411 of title 5, United States Code, is amended
7 by adding at the end the following:

8 “(m)(1)(A) For an employee of the United States
9 Postal Service who is covered under this chapter and vol-
10 untarily separates from service before October 1, 2014,
11 at the direction of the United States Postal Service, the
12 Office shall add not more than 2 years (as specified by
13 the United States Postal Service) to the total creditable
14 service of the employee for purposes of determining enti-
15 tlement to and computing the amount of an annuity under
16 this chapter (except for a disability annuity under sub-
17 chapter V of that chapter).

18 “(B) An employee who receives additional creditable
19 service under this paragraph may not receive a voluntary
20 separation incentive payment from the United States
21 Postal Service.

22 “(2)(A) Subject to subparagraph (B), and notwith-
23 standing any other provision of law, no deduction, deposit,
24 or contribution shall be required for service credited under
25 this subsection.

1 “(B) The actuarial present value of the additional li-
 2 ability of the United States Postal Service to the Fund
 3 resulting from this subsection shall be included in the
 4 amount calculated under section 8423(b)(1)(B).”.

5 **SEC. 103. MEDICARE COVERAGE FOR POSTAL SERVICE**

6 **MEDICARE ELIGIBLE ANNUITANTS.**

7 (a) FEDERAL EMPLOYEES HEALTH BENEFITS
 8 PLANS.—

9 (1) IN GENERAL.—Chapter 89 of title 5, United
 10 States Code, is amended by inserting after section
 11 8903b the following:

12 **“§ 8903c. Postal Service Medicare eligible annuitants**

13 “(a) DEFINITIONS.—In this section—

14 “(1) the term ‘contract year’ means a calendar
 15 year in which health benefits plans are administered
 16 under this chapter;

17 “(2) the term ‘Medicare part A’ means the
 18 Medicare program for hospital insurance benefits
 19 under part A of title XVIII of the Social Security
 20 Act (42 U.S.C. 1395c et seq.);

21 “(3) the term ‘Medicare part B’ means the
 22 Medicare program for supplementary medical insur-
 23 ance benefits under part B of title XVIII of the So-
 24 cial Security Act (42 U.S.C. 1395j et seq.); and

1 “(4) the term ‘Postal Service Medicare eligible
2 annuitant’ means an individual who—

3 “(A) is an annuitant covered under this
4 chapter whose Government contribution is paid
5 by the Postal Service under section 8906(g)(2);
6 and

7 “(B) is eligible to enroll in Medicare part
8 A and Medicare part B.

9 “(b) REQUIREMENT OF MEDICARE ENROLLMENT.—

10 “(1) POSTAL SERVICE MEDICARE ELIGIBLE AN-
11 NUITANTS.—

12 “(A) IMMEDIATE APPLICATION.—An indi-
13 vidual who is a Postal Service Medicare eligible
14 annuitant on the date of enactment of the 21st
15 Century Postal Service Act of 2011 may not
16 continue coverage under this chapter, unless
17 that individual enrolls in Medicare part A and
18 Medicare part B during the special enrollment
19 period established under section 1837(m) of the
20 Social Security Act.

21 “(B) PROSPECTIVE APPLICATION.—An in-
22 dividual who becomes a Postal Service Medicare
23 eligible annuitant after the date of enactment of
24 the 21st Century Postal Service Act of 2011
25 may not continue coverage under this chapter,

1 unless after becoming eligible for Medicare part
 2 A and Medicare part B that individual enrolls
 3 in Medicare part A and Medicare part B during
 4 the applicable initial enrollment period under
 5 section 1837 of the Social Security Act (42
 6 U.S.C. 1395p).

7 “(2) FAMILY MEMBERS OF POSTAL SERVICE
 8 MEDICARE ELIGIBLE ANNUITANTS.—

9 “(A) FAMILY MEMBER IS MEDICARE ELIGI-
 10 BLE.—An individual who, on the date of enact-
 11 ment of the 21st Century Postal Service Act of
 12 2011, is a Postal Service Medicare eligible an-
 13 nuitant, is enrolled in self and family coverage
 14 under this chapter, and has a member of the
 15 family who is eligible to enroll in Medicare part
 16 A and Medicare part B, may not continue cov-
 17 erage under this chapter, unless—

18 “(i) the family member enrolls in
 19 Medicare part A and Medicare part B dur-
 20 ing the special enrollment period estab-
 21 lished under section 1837(m) of the Social
 22 Security Act; or

23 “(ii) the individual enrolls for self only
 24 coverage under this chapter.

1 “(B) FAMILY MEMBER BECOMES MEDI-
 2 CARE ELIGIBLE.—An individual who, on the
 3 date of enactment of the 21st Century Postal
 4 Service Act of 2011, is a Postal Service Medi-
 5 care eligible annuitant, is enrolled in self and
 6 family coverage under this chapter, and has a
 7 member of the family who becomes eligible to
 8 enroll in Medicare part A and Medicare part B
 9 after that date, may not continue coverage
 10 under this chapter, unless—

11 “(i) the family member enrolls in
 12 Medicare part A and Medicare part B dur-
 13 ing the applicable initial enrollment period
 14 under section 1837 of the Social Security
 15 Act (42 U.S.C. 1395p); or

16 “(ii) the individual enrolls for self only
 17 coverage under this chapter.

18 “(c) ENROLLMENT OPTIONS.—

19 “(1) ESTABLISHMENT.—For contract years fol-
 20 lowing the date of enactment of the 21st Century
 21 Postal Service Act of 2011, the Office shall establish
 22 enrollment options for health benefits plans that are
 23 open only to Postal Service Medicare eligible annu-
 24 itants or family members of a Postal Service Medi-

1 care eligible annuitants who continue coverage under
2 this chapter in accordance with subsection (b).

3 “(2) ENROLLMENT REQUIREMENT.—Any Post-
4 al Service Medicare eligible annuitant or family
5 member of a Postal Service Medicare eligible annu-
6 itant who continues coverage under this chapter in
7 accordance with subsection (b) may only enroll in 1
8 of the enrollment options established under para-
9 graph (1).

10 “(3) VALUE OF COVERAGE.—The Office shall
11 ensure that the aggregate actuarial value of coverage
12 under the enrollment options established under this
13 subsection, in combination with the value of coverage
14 under Medicare part A and Medicare part B, shall
15 be not less than the actuarial value of the most
16 closely corresponding enrollment options available
17 under section 8905.

18 “(4) ENROLLMENT OPTIONS.—

19 “(A) IN GENERAL.—The enrollment op-
20 tions established under paragraph (1) shall in-
21 clude—

22 “(i) an individual option, for Postal
23 Service Medicare eligible annuitants sub-
24 ject to subsection (b)(1);

1 “(ii) a self and family option, for
 2 Postal Service Medicare eligible annuitants
 3 subject to subsection (b)(1) and family
 4 members of Postal Service Medicare eligi-
 5 ble annuitants subject to subsection (b)(2);
 6 and

7 “(iii) a self and family option, for
 8 Postal Service Medicare eligible annuitants
 9 subject to subsection (b)(1) and family
 10 members of Postal Service Medicare eligi-
 11 ble annuitants, including family members
 12 not subject to subsection (b)(2).

13 “(B) SPECIFIC SUB-OPTIONS.—The Office
 14 may establish more specific enrollment options
 15 within the types of options described under sub-
 16 paragraph (A).

17 “(5) REDUCED PREMIUMS TO ACCOUNT FOR
 18 MEDICARE COORDINATION.—In determining the pre-
 19 miums for the enrollment options under paragraph
 20 (4), the Office shall—

21 “(A) establish a separate claims pool for
 22 individuals eligible for coverage under those op-
 23 tions; and

24 “(B) ensure that—

1 “(i) the premiums are reduced from
 2 the premiums otherwise established under
 3 this chapter to directly reflect the full cost
 4 savings to the health benefits plans due to
 5 the complete coordination of benefits with
 6 Medicare part A and Medicare part B for
 7 Postal Service Medicare eligible annuitants
 8 or family members of Postal Service Medi-
 9 care eligible annuitants who continue cov-
 10 erage under this chapter; and

11 “(ii) the cost savings described under
 12 clause (i) result solely in the reduction
 13 of—

14 “(I) the premiums paid by the
 15 Postal Service Medicare eligible annu-
 16 itant; and

17 “(II) the Government contribu-
 18 tions paid by the Postal Service.

19 “(d) CONVERSION OF ENROLLMENT.—

20 “(1) IN GENERAL.—For any individual who en-
 21 rolls in Medicare part A and Medicare part B in ac-
 22 cordance with subsection (b) other than during the
 23 special enrollment period established under section
 24 1837(m) of the Social Security Act, coverage under
 25 this chapter shall be converted to coverage under the

1 applicable enrollment option established under sub-
 2 section (c) upon enrollment in Medicare part A and
 3 Medicare part B.

4 “(2) NOTIFICATION.—The Office shall provide
 5 reasonable advance notice to any Postal Service
 6 Medicare eligible annuitant or family member of any
 7 Postal Service Medicare eligible annuitant that such
 8 annuitant or family member will become subject to
 9 conversion of enrollment under paragraph (1).

10 “(e) POSTAL SERVICE CONSULTATION.—The Office
 11 shall establish the enrollment options and premiums under
 12 this section in consultation with the Postal Service.”.

13 (2) TECHNICAL AND CONFORMING AMEND-
 14 MENTS.—The table of sections for chapter 89 of title
 15 5, United States Code, is amended by inserting after
 16 the item relating to section 8903b the following:

“8903c. Postal Service Medicare eligible annuitants.”.

17 (3) EFFECTIVE DATE.—The amendments made
 18 by this subsection shall apply with respect to con-
 19 tract years beginning 6 months following the date of
 20 enactment of this Act.

21 (b) SPECIAL ENROLLMENT PERIOD FOR POSTAL
 22 SERVICE MEDICARE ELIGIBLE ANNUITANTS.—

23 (1) SPECIAL ENROLLMENT PERIOD.—

24 (A) IN GENERAL.—Section 1837 of the So-
 25 cial Security Act (42 U.S.C. 1395p) is amended

1 by adding at the end the following new sub-
2 section:

3 “(m)(1) In the case of any individual who is a Postal
4 Service Medicare eligible annuitant (as defined in section
5 8903c(a) of title 5, United States Code) at the time the
6 individual is entitled to part A under section 226(b) or
7 section 226A and who is eligible to enroll but who has
8 elected not to enroll (or to be deemed enrolled) during the
9 individual’s initial enrollment period, there shall be a spe-
10 cial enrollment period described in paragraph (2).

11 “(2) The special enrollment period described in this
12 paragraph, with respect to an individual is the 6-month
13 period, beginning on the first day of the month which in-
14 cludes the date of enactment of the 21st Century Postal
15 Service Act of 2011.

16 “(3) In the case of an individual who enrolls during
17 the special enrollment period provided under paragraph
18 (1), the coverage period under this part shall begin on the
19 first day of the month in which the individual enrolls.”.

20 (B) EFFECTIVE DATE.—The amendment
21 made by subparagraph (A) shall apply to elec-
22 tions made with respect to initial enrollment pe-
23 riods that end after the date of enactment of
24 the 21st Century Postal Service Act of 2011.

1 (2) WAIVER OF INCREASE OF PREMIUM.—Sec-
 2 tion 1839(b) of the Social Security Act (42 U.S.C.
 3 1395r(b)) is amended by striking “(i)(4) or (l)” and
 4 inserting “(i)(4), (l), or (m)”.

5 **SEC. 104. RESTRUCTURING OF PAYMENTS FOR RETIREE**
 6 **HEALTH BENEFITS.**

7 (a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title
 8 5, United States Code, is amended by striking “through
 9 September 30, 2016, be paid by the United States Postal
 10 Service, and thereafter shall” and inserting “after the date
 11 of enactment of the 21st Century Postal Service Act of
 12 2011”.

13 (b) POSTAL SERVICE RETIREE HEALTH BENEFITS
 14 FUND.—Section 8909a of title 5, United States Code, is
 15 amended—

16 (1) in subsection (d)—

17 (A) in paragraph (2)(B)—

18 (i) by striking “2017” and inserting
 19 “2012”; and

20 (ii) by inserting after “later, of” the
 21 following: “80 percent of”; and

22 (B) in paragraph (3)—

23 (i) in subparagraph (A)—

24 (I) in clause (iii), by adding
 25 “and” at the end;

1 (II) in clause (iv), by striking the
 2 semicolon at the end and inserting a
 3 period; and

4 (III) by striking clauses (v)
 5 through (x); and

6 (ii) in subparagraph (B), by striking
 7 “2017” and inserting “2012”; and

8 (2) by adding at the end the following:

9 “(e) Subsections (a) through (d) shall be subject to
 10 section 105 of the 21st Century Postal Service Act of
 11 2011.”.

12 **SEC. 105. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

13 (a) DEFINITIONS.—In this section—

14 (1) the term “covered employee” means an em-
 15 ployee of the Postal Service who is represented by a
 16 bargaining representative recognized under section
 17 1203 of title 39, United States Code;

18 (2) the term “Federal Employee Health Bene-
 19 fits Program” means the health benefits program
 20 under chapter 89 of title 5, United States Code; and

21 (3) the term “Postal Service Health Benefits
 22 Program” means the health benefits program that
 23 may be agreed to under subsection (b)(1).

24 (b) COLLECTIVE BARGAINING.—

1 (1) IN GENERAL.—Consistent with section
 2 1005(f) of title 39, United States Code, the Postal
 3 Service may negotiate jointly with all bargaining
 4 representatives recognized under section 1203 of
 5 title 39, United States Code, and enter into a joint
 6 collective bargaining agreement with those bar-
 7 gaining representatives to establish the Postal Serv-
 8 ice Health Benefits Program that satisfies the condi-
 9 tions under subsection (c). The Postal Service and
 10 the bargaining representatives shall negotiate in con-
 11 sultation with the Director of the Office of Per-
 12 sonnel Management.

13 (2) ARBITRATION LIMITATION.—Notwith-
 14 standing chapter 12 of title 39, United States Code,
 15 there shall not be arbitration of any dispute in the
 16 negotiations under this subsection.

17 (3) TIME LIMITATION.—The authority under
 18 this subsection shall extend until September 30,
 19 2012.

20 (c) POSTAL SERVICE HEALTH BENEFITS PRO-
 21 GRAM.—The Postal Service Health Benefits Program—

22 (1) shall—

23 (A) be available for participation by all
 24 covered employees;

1 (B) provide adequate and appropriate
2 health benefits;

3 (C) be administered by the Postmaster
4 General; and

5 (D) provide for transition of coverage
6 under the Federal Employee Health Benefits
7 Program of covered employees to coverage
8 under the Postal Service Health Benefits Pro-
9 gram on January 1, 2013;

10 (2) may provide dental benefits; and

11 (3) may provide vision benefits.

12 (d) AGREEMENT AND IMPLEMENTATION.—If a joint
13 agreement is reached under subsection (b)—

14 (1) the Postal Service shall implement the Post-
15 al Service Health Benefits Program;

16 (2) the Postal Service Health Benefits Program
17 shall constitute an agreement between the collective
18 bargaining representatives and the Postal Service for
19 purposes of section 1005(f) of title 39, United
20 States Code; and

21 (3) covered employees may not participate as
22 employees in the Federal Employees Health Benefits
23 Program.

24 (e) GOVERNMENT PLAN.—The Postal Service Health
25 Benefits Program shall be a government plan as that term

1 is defined under section 3(32) of Employee Retirement In-
 2 come Security Act of 1974 (29 U.S.C. 1002(32)).

3 (f) REPORT.—Not later than June 30, 2013, the
 4 Postal Service shall submit a report to the Committee on
 5 Homeland Security and Governmental Affairs of the Sen-
 6 ate and the Committee on Oversight and Government Re-
 7 form of the House of Representatives that—

8 (1) reports on the implementation of this sec-
 9 tion; and

10 (2) requests any additional statutory authority
 11 that the Postal Service determines is necessary to
 12 carry out the purposes of this section.

13 **SEC. 106. ARBITRATION; LABOR DISPUTES.**

14 Section 1207(c)(2) of title 39, United States Code,
 15 is amended—

16 (1) by inserting “(A)” after “(2)”;

17 (2) by striking the last sentence and inserting
 18 “The arbitration board shall render a decision not
 19 later than 45 days after the date of its appoint-
 20 ment.”; and

21 (3) by adding at the end the following:

22 “(B) In rendering a decision under this paragraph,
 23 the arbitration board shall consider such relevant factors
 24 as—

1 “(i) the financial condition of the Postal Serv-
2 ice;

3 “(ii) the requirements relating to pay and com-
4 pensation comparability under section 1003(a); and

5 “(iii) the policies of this title.”.

6 **TITLE II—POSTAL SERVICES** 7 **AND OPERATIONS**

8 **SEC. 201. POSTAL FACILITIES.**

9 Section 404 of title 39, United States Code, is
10 amended by adding after subsection (e) the following:

11 “(f) CLOSING OR CONSOLIDATION OF CERTAIN
12 POSTAL FACILITIES.—

13 “(1) POSTAL FACILITY.—In this subsection, the
14 term ‘postal facility’ does not include—

15 “(A) any post office, station, or branch; or

16 “(B) any facility used only for administra-
17 tive functions.

18 “(2) AREA MAIL PROCESSING STUDY.—

19 “(A) NEW AREA MAIL PROCESSING STUD-
20 IES.—After the date of enactment of this sub-
21 section, before making a determination under
22 subsection (a)(3) as to the necessity for the
23 closing or consolidation of any postal facility,
24 the Postal Service shall—

1 “(i) conduct an area mail processing
 2 study relating to that postal facility that
 3 includes a plan to reduce the capacity of
 4 the postal facility, but not close the postal
 5 facility;

6 “(ii) publish the study on the Postal
 7 Service website; and

8 “(iii) publish a notice that the study
 9 is complete and available to the public, in-
 10 cluding on the Postal Service website.

11 “(B) COMPLETED OR ONGOING AREA MAIL
 12 PROCESSING STUDIES.—

13 “(i) IN GENERAL.—In the case of a
 14 postal facility described in clause (ii), the
 15 Postal Service shall—

16 “(I) consider a plan to reduce the
 17 capacity of the postal facility, but not
 18 close the post facility; and

19 “(II) publish the results of the
 20 consideration under subclause (I) with
 21 or as an amendment to the area mail
 22 processing study relating to the postal
 23 facility.

24 “(ii) POSTAL FACILITIES.—A postal
 25 facility described in this clause is a postal

1 facility for which, on or before the date of
2 enactment of this subsection—

3 “(I) an area mail processing
4 study that does not include a plan to
5 reduce the capacity of the postal facil-
6 ity, but not close the facility, has been
7 completed or is in progress; and

8 “(II) a determination as to the
9 necessity for the closing or consolida-
10 tion of the postal facility has not been
11 made.

12 “(3) NOTICE; PUBLIC COMMENT; AND PUBLIC
13 HEARING.—If the Postal Service makes a determina-
14 tion under subsection (a)(3) to close or consolidate
15 a postal facility, the Postal Service shall—

16 “(A) provide notice of the determination
17 to—

18 “(i) Congress; and

19 “(ii) the Postal Regulatory Commis-
20 sion;

21 “(B) provide adequate public notice of the
22 intention of the Postal Service to close or con-
23 solidate the postal facility;

24 “(C) ensure that interested persons have
25 an opportunity to submit public comments dur-

1 ing a 45-day period after the notice of intention
2 is provided under subparagraph (B);

3 “(D) before that 45-day period provide for
4 public notice of that opportunity by—

5 “(i) publication on the Postal Service
6 website;

7 “(ii) posting at the affected postal fa-
8 cility; and

9 “(iii) advertising the date and location
10 of the public community meeting under
11 subparagraph (E); and

12 “(E) during the 45-day period described
13 under subparagraph (C), conduct a public com-
14 munity meeting that provides an opportunity
15 for public comments to be submitted verbally or
16 in writing.

17 “(4) FURTHER CONSIDERATIONS.—Not earlier
18 than 30 days after the end of the 45-day period for
19 public comment under paragraph (3), the Postal
20 Service, in making a determination whether or not
21 to close or consolidate a postal facility, shall con-
22 sider—

23 “(A) the views presented by interested per-
24 sons solicited under paragraph (3);

1 “(B) the effect of the closing or consolida-
2 tion on the affected community, including any
3 disproportionate impact the closure or consoli-
4 dation may have on a State, region, or locality;

5 “(C) the effect of the closing or consolida-
6 tion on the travel times and distances for af-
7 fected customers to access services under the
8 proposed closing or consolidation;

9 “(D) the effect of the closing or consolida-
10 tion on delivery times for all classes of mail;

11 “(E) any characteristics of certain geo-
12 graphical areas, such as remoteness, broadband
13 internet availability, and weather-related obsta-
14 cles to using alternative facilities, that may re-
15 sult in the closing or consolidation having a
16 unique effect; and

17 “(F) any other factor the Postal Service
18 determines is necessary.

19 “(5) JUSTIFICATION STATEMENT.—Before the
20 date on which the Postal Service closes or consoli-
21 dates a postal facility, the Postal Service shall post
22 on the Postal Service website a closure or consolida-
23 tion justification statement that includes—

1 “(A) a response to all public comments re-
 2 ceived with respect to the considerations de-
 3 scribed under paragraph (4);

4 “(B) a description of the considerations
 5 made by the Postal Service under paragraph
 6 (4); and

7 “(C) the actions that will be taken by the
 8 Postal Service to mitigate any negative effects
 9 identified under paragraph (4).

10 “(6) CLOSING OR CONSOLIDATION OF POSTAL
 11 FACILITIES.—

12 “(A) IN GENERAL.—Not earlier than the
 13 15 days after posting and publishing the final
 14 determination and the justification statement
 15 under paragraph (6) with respect to a postal fa-
 16 cility, the Postal Service may close or consoli-
 17 date the postal facility.

18 “(B) ALTERNATIVE INTAKE OF MAIL.—If
 19 the Postal Service closes or consolidates a post-
 20 al facility under subparagraph (A), the Postal
 21 Service shall make reasonable efforts to ensure
 22 continued mail receipt from customers of the
 23 closed or consolidated postal facility at the
 24 same location or at another appropriate location

1 in close geographic proximity to the closed or
2 consolidated postal facility.

3 “(7) POSTAL SERVICE WEBSITE.—For purposes
4 of any notice required to be published on the Postal
5 Service website under this subsection, the Postal
6 Service shall ensure that the Postal Service
7 website—

8 “(A) is updated routinely; and

9 “(B) provides any person, at the option of
10 the person, the opportunity to receive relevant
11 updates by electronic mail.”.

12 **SEC. 202. ADDITIONAL POSTAL SERVICE PLANNING.**

13 Section 302(d) of the Postal Accountability and En-
14 hancement Act of 2006 (39 U.S.C. 3691 note) is amend-
15 ed—

16 (1) in paragraph (8), by striking the period at
17 the end and inserting “; and”;

18 (2) by redesignating paragraphs (1) through
19 (8) as subparagraphs (A) through (H), respectively,
20 and adjusting the margins accordingly;

21 (3) in the matter preceding subparagraph (A),
22 as so redesignated, by striking “shall include” and
23 inserting the following: “shall—

24 “(1) include”; and

25 (4) by adding at the end the following:

1 “(2) where possible, provide for an improve-
2 ment in customer access to postal services;

3 “(3) consider the impact of any decisions by the
4 Postal Service relating to the implementation of the
5 plan on small communities and rural areas; and

6 “(4) ensure that—

7 “(A) small communities and rural areas
8 continue to receive regular and effective access
9 to retail postal services after implementation of
10 the plan; and

11 “(B) the Postal Service solicits community
12 input in accordance with applicable provisions
13 of Federal law.”.

14 **SEC. 203. AREA AND DISTRICT OFFICE STRUCTURE.**

15 (a) **PLAN REQUIRED.**—Not later than 1 year after
16 the date of enactment of this Act, the Postal Service shall
17 submit to the Committee on Homeland Security and Gov-
18 ernmental Affairs of the Senate and the Committee on
19 Oversight and Governmental Reform of the House of Rep-
20 resentatives—

21 (1) a comprehensive strategic plan to govern
22 decisions relating to area and district office struc-
23 ture that considers efficiency, costs, redundancies,
24 mail volume, technological advancements, oper-
25 ational considerations, and other issues that may be

1 relevant to establishing an effective area and district
2 office structure; and

3 (2) a 10-year plan, including a timetable, that
4 provides for consolidation of area and district offices
5 wherever the Postal Service determines a consolida-
6 tion would—

7 (A) be cost-effective; and

8 (B) not substantially and adversely affect
9 the operations of the Postal Service.

10 (b) CONSOLIDATION.—Beginning not later than 1
11 year after the date of enactment of this Act, the Postal
12 Service shall, consistent with the plans required under
13 subsection (a)—

14 (1) consolidate district offices that are located
15 within 50 miles of each other;

16 (2) consolidate area and district offices that
17 have less than the mean mail volume and number of
18 work hours for all area and district offices; and

19 (3) relocate area offices to headquarters.

20 (c) UPDATES.—The Postal Service shall update the
21 plans required under subsection (a) not less frequently
22 than once every 5 years.

23 **SEC. 204. RETAIL SERVICE STANDARDS.**

24 (a) ESTABLISHMENT OF SERVICE STANDARDS.—Not
25 later than 1 year after the date of enactment of this Act,

1 the Postal Service shall exercise its authority under sec-
2 tion 3691 of title 39, United States Code, to establish
3 service standards for market-dominant products in order
4 to guarantee customers of the Postal Service regular and
5 effective access to retail postal services nationwide (includ-
6 ing in territories and possessions of the United States)
7 on a reasonable basis.

8 (b) CONTENTS.—The service standards established
9 under subsection (a) shall—

10 (1) be consistent with—

11 (A) the obligations of the Postal Service
12 under section 101(b) of title 39, United States
13 Code; and

14 (B) the contents of the plan developed
15 under section 302 of the Postal Accountability
16 and Enhancement Act of 2006 (39 U.S.C. 3691
17 note), as amended by section 202 of this Act;
18 and

19 (2) take into account factors including—

20 (A) geography, including the establishment
21 of standards for the proximity of retail postal
22 services to postal customers, including a consid-
23 eration of the reasonable maximum time a post-
24 al customer should expect to travel to access a
25 postal retail location;

1 (B) population, including population den-
2 sity, demographic factors such as the age and
3 disability status of individuals in the area to be
4 served by a location providing postal retail serv-
5 ices, and other factors that may impact the
6 ability of postal customers, including busi-
7 nesses, to travel to a postal retail location;

8 (C) the feasibility of offering retail access
9 to postal services in addition to post offices, as
10 described in section 302(d) of the Postal Ac-
11 countability and Enhancement Act of 2006 (39
12 U.S.C. 3691 note); and

13 (D) the requirement that the Postal Serv-
14 ice serve remote areas and communities with
15 transportation challenges, including commu-
16 nities in which the effects of inclement weather
17 or other natural conditions might obstruct or
18 otherwise impede access to retail postal serv-
19 ices.

20 **SEC. 205. CONVERSION OF DOOR DELIVERY POINTS.**

21 (a) IN GENERAL.—Subchapter VII of chapter 36 of
22 title 39, United States Code, is amended by adding at the
23 end the following:

1 **“§ 3692. Conversion of door delivery points**

2 “(a) DEFINITIONS.—In this section, the following
3 definitions shall apply:

4 “(1) CENTRALIZED DELIVERY POINT.—The
5 term ‘centralized delivery point’ means a group or
6 cluster of mail receptacles at 1 delivery point that is
7 within reasonable proximity of the street address as-
8 sociated with the delivery point.

9 “(2) CURBLINE DELIVERY POINT.—The term
10 ‘curbline delivery point’ means a delivery point that
11 is—

12 “(A) adjacent to the street address associ-
13 ated with the delivery point; and

14 “(B) accessible by vehicle on a street that
15 is not a private driveway.

16 “(3) DOOR DELIVERY POINT.—The term ‘door
17 delivery point’ means a delivery point at a door of
18 the structure at a street address.

19 “(4) SIDEWALK DELIVERY POINT.—The term
20 ‘sidewalk delivery point’ means a delivery point on a
21 sidewalk adjacent to the street address associated
22 with the delivery point.

23 “(b) CONVERSION.—Except as provided in subsection
24 (c), not later than September 30, 2015, in accordance with
25 standards established by the Postal Service, the Postal

1 Service may, where feasible, convert door delivery points
 2 to—

3 “(1) curblane delivery points;

4 “(2) sidewalk delivery points; or

5 “(3) centralized delivery points.

6 “(c) EXCEPTIONS.—

7 “(1) CONTINUED DOOR DELIVERY.—The Postal
 8 Service may allow for the continuation of door deliv-
 9 ery due to—

10 “(A) a physical hardship of a customer;

11 “(B) weather, in a geographic area where
 12 snow removal efforts could obstruct access to
 13 mailboxes near a road;

14 “(C) circumstances in an urban area that
 15 preclude efficient use of curbside delivery
 16 points;

17 “(D) other exceptional circumstances, as
 18 determined in accordance with regulations
 19 issued by the Postal Service; or

20 “(E) other circumstances in which the
 21 Postal Service determines that alternatives to
 22 door delivery would not be practical or cost ef-
 23 fective.

24 “(2) NEW DOOR DELIVERY POINTS.—The Post-
 25 al Service may provide door delivery to a new deliv-

1 ery point in a delivery area that received door deliv-
 2 ery on the day before the date of enactment of this
 3 section, if the delivery point is established before the
 4 delivery area is converted from door delivery under
 5 subsection (b).

6 “(d) SOLICITATION OF COMMENTS.—The Postal
 7 Service shall establish procedures to solicit, consider, and
 8 respond to input from individuals affected by a conversion
 9 under this section.

10 “(e) REVIEW.—Subchapter V of this chapter shall
 11 not apply with respect to any action taken by the Postal
 12 Service under this section.

13 “(f) REPORT.—Not later than 60 days after the end
 14 of each fiscal year through fiscal year 2015, the Postal
 15 Service shall submit to Congress and the Inspector Gen-
 16 eral of the Postal Service a report on the implementation
 17 of this section during the preceding fiscal year that—

18 “(1) includes the number of door delivery
 19 points—

20 “(A) that existed at the end of the fiscal
 21 year preceding the preceding fiscal year;

22 “(B) that existed at the end of the pre-
 23 ceding fiscal year;

24 “(C) that, during the preceding fiscal year,
 25 converted to—

1 “(i) curblin delivery points or side-
2 walk delivery points;

3 “(ii) centralized delivery points; and

4 “(iii) any other type of delivery point;

5 and

6 “(D) for which door delivery was continued
7 under subsection (c)(1);

8 “(2) estimates the cost savings from the conver-
9 sions from door delivery that occurred during the
10 preceding fiscal year;

11 “(3) describes the progress of the Postal Serv-
12 ice toward achieving the requirements under sub-
13 section (b); and

14 “(4) provides such additional information as the
15 Postal Service considers appropriate.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 for subchapter VII of chapter 36 of title 39, United States
18 Code, is amended by adding at the end the following:

“3692. Conversion of door delivery points.”.

19 **SEC. 206. LIMITATIONS ON CHANGES TO MAIL DELIVERY**
20 **SCHEDULE.**

21 (a) LIMITATION ON CHANGE IN SCHEDULE.—Not-
22 withstanding any other provision of law—

23 (1) the Postal Service may not establish a gen-
24 eral, nationwide 5-day-per-week delivery schedule to
25 street addresses under the authority of the Postal

1 Service under section 3691 of title 39, United States
2 Code, earlier than the date that is 24 months after
3 the date of enactment of this Act; and

4 (2) on or after the date that is 24 months after
5 the date of enactment of this Act, the Postal Service
6 may establish a general, nationwide 5-day-per-week
7 delivery schedule to street addresses under the au-
8 thority of the Postal Service under section 3691 of
9 title 39, United States Code, only in accordance with
10 the requirements and limitations under this section.

11 (b) PRECONDITIONS.—If the Postal Service intends
12 to establish a change in delivery schedule under subsection
13 (a)(2), the Postal Service shall—

14 (1) identify customers and communities for
15 whom the change may have a disproportionate, neg-
16 ative impact, including the customers identified as
17 “particularly affected” in the Advisory Opinion on
18 Elimination of Saturday Delivery issued by the Com-
19 mission on March 24, 2011;

20 (2) develop, to the maximum extent possible,
21 measures to ameliorate any disproportionate, nega-
22 tive impact the change would have on customers and
23 communities identified under paragraph (1), includ-
24 ing, where appropriate, providing or expanding ac-

1 cess to mailboxes for periodical mailers on days on
2 which the Postal Service does not provide delivery;

3 (3) implement measures to increase revenue
4 and reduce costs, including the measures authorized
5 under the amendments made by sections 101, 102,
6 103, 104, 204, and 208 of this Act;

7 (4) evaluate whether any increase in revenue or
8 reduction in costs resulting from the measures im-
9 plemented under paragraph (3) are sufficient to
10 allow the Postal Service, without implementing a
11 change in delivery schedule under subsection (a),
12 to—

13 (A) become profitable by fiscal year 2015;

14 and

15 (B) achieve long-term financial solvency;

16 and

17 (5) not earlier than 15 months after the date
18 of enactment of this Act and not later than 9
19 months before the effective date proposed by the
20 Postal Service for the change, submit a report on
21 the steps the Postal Service has taken to carry out
22 this subsection to—

23 (A) the Committee on Homeland Security
24 and Governmental Affairs of the Senate and the

1 Committee on Oversight and Government Re-
2 form of the House of Representatives;

3 (B) the Comptroller General of the United
4 States; and

5 (C) the Commission.

6 (c) REVIEW.—

7 (1) GOVERNMENT ACCOUNTABILITY OFFICE.—

8 Not later than 3 months after the date on which the
9 Postal Service submits a report under subsection
10 (b)(5), the Comptroller General shall submit to the
11 Commission and to the Committee on Homeland Se-
12 curity and Governmental Affairs of the Senate and
13 the Committee on Oversight and Government Re-
14 form of the House of Representatives a report that
15 contains findings relating to each of the following:

16 (A) Whether the Postal Service has ade-
17 quately complied with subsection (b)(3), taking
18 into consideration the statutory authority of
19 and limitations on the Postal Service.

20 (B) The accuracy of any statement by the
21 Postal Service that the measures implemented
22 under subsection (b)(3) have increased revenues
23 or reduced costs, and the accuracy of any pro-
24 jection by the Postal Service relating to in-
25 creased revenue or reduced costs resulting from

1 the measures implemented under subsection
2 (b)(3).

3 (C) The adequacy and methodological
4 soundness of any evaluation conducted by the
5 Postal Service under subsection (b)(4) that led
6 the Postal Service to assert the necessity of a
7 change in delivery schedule under subsection
8 (a)(2).

9 (D) Whether, based on an analysis of the
10 measures implemented by the Postal Service to
11 increase revenues and reduce costs, projections
12 of increased revenue and cost savings, and the
13 details of the profitability plan required under
14 section 401, a change in delivery schedule is
15 necessary to allow the Postal Service to—

16 (i) become profitable by fiscal year
17 2015; and

18 (ii) achieve long-term financial sol-
19 vency.

20 (2) POSTAL REGULATORY COMMISSION.—

21 (A) REQUEST.—Not later than 6 months
22 before the proposed effective date of a change
23 in delivery schedule under subsection (a), the
24 Postal Service shall submit to the Commission

1 a request for an advisory opinion relating to the
 2 change.

3 (B) ADVISORY OPINION.—

4 (i) IN GENERAL.—The Commission
 5 shall—

6 (I) issue an advisory opinion with
 7 respect to a request under subpara-
 8 graph (A), in accordance with the
 9 time limits for the issuance of advi-
 10 sory opinions under section
 11 3661(b)(2) of title 39, United States
 12 Code, as amended by this Act; and

13 (II) submit the advisory opinion
 14 to the Committee on Homeland Secu-
 15 rity and Governmental Affairs of the
 16 Senate and the Committee on Over-
 17 sight and Government Reform of the
 18 House of Representatives.

19 (ii) REQUIRED DETERMINATIONS.—
 20 An advisory opinion under clause (i) shall
 21 determine—

22 (I) whether the measures devel-
 23 oped under subsection (b)(2) amelio-
 24 rate any disproportionate, negative
 25 impact that a change in schedule may

1 have on customers and communities
2 identified under subsection (b)(1); and

3 (II) based on the report sub-
4 mitted by the Comptroller General
5 under paragraph (1)—

6 (aa) whether the Postal
7 Service has implemented meas-
8 ures to reduce operating losses as
9 required under subsection (b)(3);

10 (bb) whether the implemen-
11 tation of the measures described
12 in item (aa) has increased reve-
13 nues or reduced costs, or is pro-
14 jected to further increase reve-
15 nues or reduce costs in the fu-
16 ture; and

17 (cc) whether a change in
18 schedule under subsection (a)(2)
19 is necessary to allow the Postal
20 Service to—

21 (AA) become profitable
22 by fiscal year 2015; and

23 (BB) achieve long-term
24 financial solvency.

(3) PROHIBITION ON IMPLEMENTATION OF CHANGE IN SCHEDULE.—The Postal Service may not implement a change in delivery schedule under subsection (a)(2)—

(A) before the date on which the Comptroller General submits the report required under paragraph (1); and

(B) unless the Commission determines under paragraph (2)(B)(ii)(II)(cc) that the Comptroller General has concluded that the change is necessary to allow the Postal Service to become profitable by fiscal year 2015 and to achieve long-term financial solvency, without regard to whether the Commission determines that the change is advisable.

(d) ADDITIONAL LIMITATIONS.—

(1) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed to—

(A) authorize the reduction, or require an increase, in delivery frequency for any route for which the Postal Service provided delivery on fewer than 6 days per week on the date of enactment of this Act;

(B) authorize any change in—

1 (i) the days and times that postal re-
 2 tail service or any mail acceptance is avail-
 3 able; or

4 (ii) the locations at which postal retail
 5 service or mail acceptance occurs;

6 (C) authorize any change in the frequency
 7 of delivery to a post office box;

8 (D) prohibit the collection or delivery of a
 9 competitive mail product on a weekend or a rec-
 10 ognized Federal holiday; or

11 (E) prohibit the Postal Service from exer-
 12 cising its authority to make changes to proc-
 13 essing or retail networks.

14 (2) PROHIBITION ON CONSECUTIVE DAYS WITH-
 15 OUT MAIL DELIVERY.—The Postal Service shall en-
 16 sure that, under any change in schedule under sub-
 17 section (a)(2), at no time shall there be more than
 18 2 consecutive days without mail delivery to street
 19 addresses, including recognized Federal holidays.

20 **SEC. 207. TIME LIMITS FOR CONSIDERATION OF SERVICE**
 21 **CHANGES.**

22 Section 3661 of title 39, United States Code, is
 23 amended by striking subsections (b) and (c) and inserting
 24 the following:

1 “(b) PROPOSED CHANGES FOR MARKET-DOMINANT
2 PRODUCTS.—

3 “(1) SUBMISSION OF PROPOSAL.—If the Postal
4 Service determines that there should be a change in
5 the nature of postal services relating to market-dom-
6 inant products that will generally affect service on a
7 nationwide or substantially nationwide basis, the
8 Postal Service shall submit a proposal to the Postal
9 Regulatory Commission requesting an advisory opin-
10 ion on the change.

11 “(2) ADVISORY OPINION.—Upon receipt of a
12 proposal under paragraph (1), the Postal Regulatory
13 Commission shall—

14 “(A) provide an opportunity for public
15 comment on the proposal; and

16 “(B) issue an advisory opinion not later
17 than—

18 “(i) 90 days after the date on which
19 the Postal Regulatory Commission receives
20 the proposal; or

21 “(ii) a date that the Postal Regu-
22 latory Commission and the Postal Service
23 may, not later than 1 week after the date
24 on which the Postal Regulatory Commis-

1 sion receives the proposal, determine joint-
2 ly.

3 “(3) RESPONSE TO OPINION.—The Postal Serv-
4 ice shall submit to the President and to Congress a
5 response to the advisory opinion issued under para-
6 graph (2), including any recommendations contained
7 therein.

8 “(4) ACTION ON PROPOSAL.—The Postal Serv-
9 ice may take action regarding a proposal submitted
10 under paragraph (1)—

11 “(A) on or after the date that is 30 days
12 after the date on which the Postal Service sub-
13 mits the response required under paragraph
14 (3);

15 “(B) on or after a date that the Postal
16 Regulatory Commission and the Postal Service
17 may, not later than 1 week after the date on
18 which the Postal Regulatory Commission re-
19 ceives a proposal under paragraph (2), deter-
20 mine jointly; or

21 “(C) after the date described in paragraph
22 (2)(B), if—

23 “(i) the Postal Regulatory Commis-
24 sion fails to issue an advisory opinion on

1 or before the date described in paragraph
2 (2)(B); and

3 “(ii) the action is not otherwise pro-
4 hibited under Federal law.

5 “(5) MODIFICATION OF TIMELINE.—At any
6 time, the Postal Service and the Postal Regulatory
7 Commission may jointly redetermine a date deter-
8 mined under paragraph (2)(B)(ii) or (4)(B).”.

9 **SEC. 208. PUBLIC PROCEDURES FOR SIGNIFICANT**
10 **CHANGES TO MAILING SPECIFICATIONS.**

11 (a) NOTICE AND OPPORTUNITY FOR COMMENT RE-
12 QUIRED.—Effective on the date on which the Postal Serv-
13 ice issues a final rule under subsection (c), before making
14 a change to mailing specifications that could pose a sig-
15 nificant burden to the customers of the Postal Service and
16 that is not reviewed by the Commission, the Postal Service
17 shall—

18 (1) publish a notice of the proposed change to
19 the specification in the Federal Register;

20 (2) provide an opportunity for the submission
21 of written comments concerning the proposed change
22 for a period of not less than 30 days;

23 (3) after considering any comments submitted
24 under paragraph (2) and making any modifications

1 to the proposed change that the Postal Service de-
2 termines are necessary, publish—

3 (A) the final change to the specification in
4 the Federal Register;

5 (B) responses to any comments submitted
6 under paragraph (2); and

7 (C) an analysis of the financial impact that
8 the proposed change would have on—

9 (i) the Postal Service; and

10 (ii) the customers of the Postal Serv-
11 ice that would be affected by the proposed
12 change; and

13 (4) establish an effective date for the change to
14 mailing specifications that is not earlier than 30
15 days after the date on which the Postal Service pub-
16 lishes the final change under paragraph (3).

17 (b) EXCEPTION FOR GOOD CAUSE.—If the Postal
18 Service determines that there is an urgent and compelling
19 need for a change to a mailing specification described in
20 subsection (a) in order to avoid demonstrable harm to the
21 operations of the Postal Service or to the public interest,
22 the Postal Service may—

23 (1) change the mailing specifications by—

24 (A) issuing an interim final rule that—

1 (i) includes a finding by the Postal
 2 Service that there is good cause for the in-
 3 terim final rule;

4 (ii) provides an opportunity for the
 5 submission of written comments on the in-
 6 terim final rule for a period of not less
 7 than 30 days; and

8 (iii) establishes an effective date for
 9 the interim final rule that is not earlier
 10 than 30 days after the date on which the
 11 interim final rule is issued; and

12 (B) publishing in the Federal Register a
 13 response to any comments submitted under
 14 subparagraph (A)(ii); and

15 (2) waive the requirement under paragraph
 16 (1)(A)(iii) or subsection (a)(4).

17 (c) RULES RELATING TO NOTICE AND COMMENT.—

18 (1) IN GENERAL.—Not later than 180 days
 19 after the date of enactment of this Act, the Postal
 20 Service shall issue rules governing the provision of
 21 notice and opportunity for comment for changes in
 22 mailing specifications under subsection (a).

23 (2) RULES.—In issuing the rules required
 24 under paragraph (1), the Postal Service shall—

(A) publish a notice of proposed rule-making in the Federal Register that includes proposed definitions of the terms “mailing specifications” and “significant burden”;

(B) provide an opportunity for the submission of written comments concerning the proposed change for a period of not less than 30 days; and

(C) publish—

(i) the rule in final form in the Federal Register; and

(ii) responses to the comments submitted under subparagraph (B).

SEC. 209. NONPOSTAL PRODUCTS AND SERVICES.

(a) IN GENERAL.—Section 404 of title 39, United States Code, is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (6) through (8) as paragraphs (7) through (9), respectively; and

(B) by inserting after paragraph (5) the following:

“(6) after the date of enactment of the 21st Century Postal Service Act of 2011, and except as provided in subsection (e), to provide other services

1 that are not postal services, after the Postal Regu-
2 latory Commission—

3 “(A) makes a determination that the provi-
4 sion of such services—

5 “(i) uses the processing, transpor-
6 tation, delivery, retail network, or tech-
7 nology of the Postal Service;

8 “(ii) is consistent with the public in-
9 terest and a demonstrated or potential
10 public demand for—

11 “(I) the Postal Service to provide
12 the services instead of another entity
13 providing the services; or

14 “(II) the Postal Service to pro-
15 vide the services in addition to an-
16 other entity providing the services;

17 “(iii) would not create unfair competi-
18 tion with the private sector; and

19 “(iv) has the potential to improve the
20 net financial position of the Postal Service,
21 based on a market analysis provided to the
22 Postal Regulatory Commission by the
23 Postal Service; and

24 “(B) for services that the Postal Regu-
25 latory Commission determines meet the criteria

1 under subparagraph (A), classifies each such
 2 service as a market-dominant product, competi-
 3 tive product, experimental product, or new
 4 product, as required under chapter 36 of title
 5 39, United States Code;” and

6 (2) in subsection (e)(2), by striking “Nothing”
 7 and all that follows through “except that the” and
 8 inserting “The”.

9 (b) MARKET ANALYSIS.—During the 5-year period
 10 beginning on the date of enactment of this Act, the Postal
 11 Service shall submit a copy of any market analysis pro-
 12 vided to the Commission under section 404(a)(6)(A)(iv)
 13 of title 39, United States Code, as amended by this sec-
 14 tion, to the Committee on Homeland Security and Govern-
 15 mental Affairs of the Senate and the Committee on Over-
 16 sight and Government Reform of the House of Represent-
 17 atives.

18 **TITLE III—FEDERAL EMPLOY-** 19 **EES’ COMPENSATION ACT**

20 **SEC. 301. SHORT TITLE; REFERENCES.**

21 (a) SHORT TITLE.—This title may be cited as the
 22 “Workers’ Compensation Reform Act of 2011”.

23 (b) REFERENCES.—Except as otherwise expressly
 24 provided, whenever in this title an amendment or repeal
 25 is expressed in terms of an amendment to, or a repeal

1 of, a section or other provision, the reference shall be con-
 2 sidered to be made to a section or other provision of title
 3 5, United States Code.

4 **SEC. 302. FEDERAL WORKERS COMPENSATION REFORMS**
 5 **FOR RETIREMENT-AGE EMPLOYEES.**

6 (a) CONVERSION OF ENTITLEMENT AT RETIREMENT
 7 AGE.—

8 (1) DEFINITIONS.—Section 8101 is amended

9 (A) in paragraph (18), by striking “and”
 10 at the end;

11 (B) in paragraph (19), by striking “and”
 12 at the end;

13 (C) in paragraph (20), by striking the pe-
 14 riod at the end and inserting a semicolon; and

15 (D) by adding at the end the following:

16 “(21) ‘retirement age’ has the meaning given
 17 that term under section 216(l)(1) of the Social Secu-
 18 rity Act (42 U.S.C. 416(l)(1));

19 “(22) ‘covered claim for total disability’ means
 20 a claim for a period of total disability that com-
 21 menced before the date of enactment of the Work-
 22 ers’ Compensation Reform Act of 2011;

23 “(23) ‘covered claim for partial disability’
 24 means a claim for a period of partial disability that

1 commenced before the date of enactment of the
2 Workers' Compensation Reform Act of 2011; and

3 “(24) ‘individual who has an exempt disability
4 condition’ means an individual—

5 “(A) who—

6 “(i) is eligible to receive continuous
7 periodic compensation for total disability
8 under section 8105 on the date of enact-
9 ment of the Workers' Compensation Re-
10 form Act of 2011; and

11 “(ii) meets the criteria under 8105(c);

12 “(B) who, on the date of enactment of the
13 Workers' Compensation Reform Act of 2011—

14 “(i) is eligible to receive continuous
15 periodic compensation for total disability
16 under section 8105; and

17 “(ii) has sustained a currently irre-
18 versible severe mental or physical disability
19 for which the Secretary of Labor has au-
20 thorized, for at least the 1 year period end-
21 ing on the date of enactment of the Work-
22 ers' Compensation Reform Act of 2011,
23 constant in-home care or custodial care,
24 such as in placement in a nursing home; or

1 “(C) who is eligible to receive continuous
2 periodic compensation for total disability under
3 section 8105—

4 “(i) for not less than the 3-year pe-
5 riod ending on the date of enactment of
6 the Workers’ Compensation Reform Act of
7 2011; or

8 “(ii) if the individual became eligible
9 to receive continuous periodic compensa-
10 tion for total disability under section 8105
11 during the period beginning on the date
12 that is 3 years before the date of enact-
13 ment of the Workers’ Compensation Re-
14 form Act of 2011 and ending on such date
15 of enactment, for not less than the 3-year
16 period beginning on the date on which the
17 individual became eligible.”.

18 (2) TOTAL DISABILITY.—Section 8105 is
19 amended—

20 (A) in subsection (a), by striking “If” and
21 inserting “IN GENERAL.—Subject to subsection
22 (b), if”;

23 (B) by redesignating subsection (b) as sub-
24 section (c); and

1 (C) by inserting after subsection (a) the
2 following:

3 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
4 MENT AGE.—

5 “(1) IN GENERAL.—Except as provided in para-
6 graph (2), the basic compensation for total disability
7 for an employee who has attained retirement age
8 shall be 50 percent of the monthly pay of the em-
9 ployee.

10 “(2) EXCEPTIONS.—

11 “(A) COVERED RECIPIENTS WHO ARE RE-
12 TIREMENT AGE OR HAVE AN EXEMPT DIS-
13 ABILITY CONDITION.—Paragraph (1) shall not
14 apply to a covered claim for total disability by
15 an employee if the employee—

16 “(i) on the date of enactment of the
17 Workers’ Compensation Reform Act of
18 2011, has attained retirement age; or

19 “(ii) is an individual who has an ex-
20 empt disability condition.

21 “(B) TRANSITION PERIOD FOR CERTAIN
22 EMPLOYEES.—For a covered claim for total dis-
23 ability by an employee who is not an employee
24 described in subparagraph (A), the employee
25 shall receive the basic compensation for total

1 disability provided under subsection (a) until
2 the later of—

3 “(i) the date on which the employee
4 attains retirement age; and

5 “(ii) the date that is 3 years after the
6 date of enactment of the Workers’ Com-
7 pensation Reform Act of 2011.”.

8 (3) PARTIAL DISABILITY.—Section 8106 is
9 amended—

10 (A) in subsection (a), by striking “If” and
11 inserting “IN GENERAL.—Subject to subsection
12 (b), if”;

13 (B) by redesignating subsections (b) and
14 (c) as subsections (c) and (d), respectively; and

15 (C) by inserting after subsection (a) the
16 following:

17 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
18 MENT AGE.—

19 “(1) IN GENERAL.—Except as provided in para-
20 graph (2), the basic compensation for partial dis-
21 ability for an employee who has attained retirement
22 age shall be 50 percent of the difference between the
23 monthly pay of the employee and the monthly wage-
24 earning capacity of the employee after the beginning
25 of the partial disability.

1 “(2) EXCEPTIONS.—

2 “(A) COVERED RECIPIENTS WHO ARE RE-
3 TIREMENT AGE.—Paragraph (1) shall not apply
4 to a covered claim for partial disability by an
5 employee if, on the date of enactment of the
6 Workers’ Compensation Reform Act of 2011,
7 the employee has attained retirement age.

8 “(B) TRANSITION PERIOD FOR CERTAIN
9 EMPLOYEES.—For a covered claim for partial
10 disability by an employee who is not an em-
11 ployee described in subparagraph (A), the em-
12 ployee shall receive basic compensation for par-
13 tial disability in accordance with subsection (a)
14 until the later of—

15 “(i) the date on which the employee
16 attains retirement age; and

17 “(ii) the date that is 3 years after the
18 date of enactment of the Workers’ Com-
19 pensation Reform Act of 2011.”.

20 **SEC. 303. AUGMENTED COMPENSATION FOR DEPENDENTS.**

21 (a) IN GENERAL.—Section 8110 is amended—

22 (1) by redesignating subsection (b) as sub-
23 section (c); and

24 (2) by inserting after subsection (a) the fol-
25 lowing:

1 “(b) TERMINATION OF AUGMENTED COMPENSA-
2 TION.—

3 “(1) IN GENERAL.—Subject to paragraph (2),
4 augmented compensation for dependants under sub-
5 section (c) shall not be provided.

6 “(2) EXCEPTIONS.—

7 “(A) TOTAL DISABILITY.—For a covered
8 claim for total disability by an employee—

9 “(i) the employee shall receive aug-
10 mented compensation under subsection (c)
11 if the employee is an individual who has an
12 exempt disability condition; and

13 “(ii) the employee shall receive aug-
14 mented compensation under subsection (c)
15 until the date that is 3 years after the date
16 of enactment of the Workers’ Compensation
17 Reform Act of 2011 if the employee is
18 not an employee described in clause (i).

19 “(B) PARTIAL DISABILITY.—For a covered
20 claim for partial disability by an employee, the
21 employee shall receive augmented compensation
22 under subsection (c) until the date that is 3
23 years after the date of enactment of the Work-
24 ers’ Compensation Reform Act of 2011.

1 “(C) PERMANENT DISABILITY COM-
 2 PENSATED BY A SCHEDULE.—For a claim for a
 3 permanent disability described in section
 4 8107(a) by an employee that commenced before
 5 the date of enactment of the Workers’ Com-
 6 pensation Reform Act of 2011, the employee
 7 shall receive augmented compensation under
 8 subsection (c).”.

9 (b) MAXIMUM AND MINIMUM MONTHLY PAY-
 10 MENTS.—Section 8112 is amended—

11 (1) in subsection (a)—

12 (A) by inserting “subsections (b) and (c)
 13 and” before “section 8138”;

14 (B) by striking “including augmented com-
 15 pensation under section 8110 of this title but”;
 16 and

17 (C) by striking “75 percent” each place it
 18 appears and inserting “66²/₃ percent”;

19 (2) by redesignating subsection (b) as sub-
 20 section (c);

21 (3) by inserting after subsection (a) the fol-
 22 lowing:

23 “(b) EXCEPTIONS.—

24 “(1) COVERED DISABILITY CONDITION.—For a
 25 covered claim for total disability by an employee, if

1 the employee is an individual who has an exempt
2 disability condition—

3 “(A) the monthly rate of compensation for
4 disability that is subject to the maximum and
5 minimum monthly amounts under subsection
6 (a) shall include any augmented compensation
7 under section 8110; and

8 “(B) subsection (a) shall be applied by
9 substituting ‘75 percent’ for ‘66⅔ percent’
10 each place it appears.

11 “(2) PARTIAL DISABILITY.—For a covered
12 claim for partial disability by an employee, until the
13 date that is 3 years after the date of enactment of
14 the Workers’ Compensation Reform Act of 2011—

15 “(A) the monthly rate of compensation for
16 disability that is subject to the maximum and
17 minimum monthly amounts under subsection
18 (a) shall include any augmented compensation
19 under section 8110; and

20 “(B) subsection (a) shall be applied by
21 substituting ‘75 percent’ for ‘66⅔ percent’
22 each place it appears.”; and

23 (4) in subsection (c), as redesignated by para-
24 graph (2), by striking “subsection (a)” and inserting
25 “subsections (a) and (b)”.

1 (c) DEATH BENEFITS GENERALLY.—Section 8133 is
 2 amended—

3 (1) in subsections (a) and (e), by striking “75
 4 percent” each place it appears and inserting “66 $\frac{2}{3}$
 5 percent (except as provided in subsection (g))”; and

6 (2) by adding at the end the following:

7 “(g) If the death occurred before the date of enact-
 8 ment of the Workers’ Compensation Reform Act of 2011,
 9 subsections (a) and (e) shall be applied by substituting
 10 ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’ each place it appears.”.

11 (d) DEATH BENEFITS FOR CIVIL AIR PATROL VOL-
 12 UNTEERS.—Section 8141 is amended—

13 (1) in subsection (b)(2)(B) by striking “75 per-
 14 cent” and inserting “66 $\frac{2}{3}$ percent (except as pro-
 15 vided in subsection (c))”;

16 (2) by redesignating subsection (c) as sub-
 17 section (d); and

18 (3) by inserting after subsection (b) the fol-
 19 lowing:

20 “(c) If the death occurred before the date of enact-
 21 ment of the Workers’ Compensation Reform Act of 2011,
 22 subsection (b)(2)(B) shall be applied by substituting ‘75
 23 percent’ for ‘66 $\frac{2}{3}$ percent’.”.

24 **SEC. 304. SCHEDULE COMPENSATION PAYMENTS.**

25 Section 8107 is amended—

1 (1) in subsection (a), by striking “at the rate
2 of 66 2/3 percent of his monthly pay” and inserting
3 “at the rate specified under subsection (d)”; and

4 (2) by adding at the end the following:

5 “(d) RATE FOR COMPENSATION.—

6 “(1) ANNUAL SALARY.—

7 “(A) IN GENERAL.—Except as provided in
8 paragraph (2), the rate under subsection (a)
9 shall be the rate of 66²/₃ percent of the annual
10 salary level established under subparagraph
11 (B), in a lump sum equal to the present value
12 (as calculated under subparagraph (C)) of the
13 amount of compensation payable under the
14 schedule.

15 “(B) ESTABLISHMENT.—

16 “(i) IN GENERAL.—The Secretary of
17 Labor shall establish an annual salary for
18 purposes of subparagraph (A) in the
19 amount the Secretary determines will re-
20 sult in the aggregate cost of payments
21 made under this section being equal to
22 what would have been the aggregate cost
23 of payments under this section if the
24 amendments made by section 304(a) of the

1 Workers' Compensation Reform Act of
2 2011 had not been enacted.

3 “(ii) COST OF LIVING ADJUSTMENT.—

4 The annual salary established under clause
5 (i) shall be increased on March 1 of each
6 year by the amount determined by the Sec-
7 retary of Labor to represent the percent
8 change in the price index published for De-
9 cember of the preceding year over the price
10 index published for the December of the
11 year prior to the preceding year, adjusted
12 to the nearest one-tenth of 1 percent.

13 “(C) PRESENT VALUE.—The Secretary of
14 Labor shall calculate the present value for pur-
15 poses of subparagraph (A) using a rate of inter-
16 est equal to the average market yield for out-
17 standing marketable obligations of the United
18 States with a maturity of 2 years on the first
19 business day of the month in which the com-
20 pensation is paid or, in the event that such
21 marketable obligations are not being issued on
22 such date, at an equivalent rate selected by the
23 Secretary of Labor, true discount compounded
24 annually.

1 “(2) CERTAIN INJURIES.—For an injury that
 2 occurred before the date of enactment of the Work-
 3 ers’ Compensation Reform Act of 2011, the rate
 4 under subsection (a) shall be $66\frac{2}{3}$ percent of the
 5 employee’s monthly pay.

6 “(e) SIMULTANEOUS RECEIPT.—

7 “(1) TOTAL DISABILITY.—An employee who re-
 8 ceives compensation for total disability under section
 9 8105 may only receive the lump sum of schedule
 10 compensation under this section in addition to and
 11 simultaneously with the benefits for total disability
 12 after the later of—

13 “(A) the date on which the basic com-
 14 pensation for total disability of the employee be-
 15 comes 50 percent of the monthly pay of the em-
 16 ployee under section 8105(b); or

17 “(B) the date on which augmented com-
 18 pensation of the employee terminates under sec-
 19 tion 8110(b)(2)(A)(ii), if the employee receives
 20 such compensation.

21 “(2) PARTIAL DISABILITY.—An employee who
 22 receives benefits for partial disability under section
 23 8106 may only receive the lump sum of schedule
 24 compensation under this section in addition to and

1 simultaneously with the benefits for partial disability
 2 after the later of—

3 “(A) the date on which the basic com-
 4 pensation for partial disability of the employee
 5 becomes 50 percent of the difference between
 6 the monthly pay of the employee and the
 7 monthly wage-earning capacity of the employee
 8 after the beginning of the partial disability
 9 under section 8106(b); or

10 “(B) the date on which augmented com-
 11 pensation of the employee terminates under sec-
 12 tion 8110(b)(2)(B), if the employee receives
 13 such compensation.”.

14 **SEC. 305. VOCATIONAL REHABILITATION.**

15 (a) IN GENERAL.—Section 8104 is amended—

16 (1) in subsection (a)—

17 (A) by striking “(a) The Secretary of
 18 Labor may” and all that follows through “un-
 19 dergo vocational rehabilitation.” and inserting
 20 the following:

21 “(a) IN GENERAL.—

22 “(1) DIRECTION.—Except as provided in para-
 23 graph (2), not earlier than the date that is 6 months
 24 after the date on which an individual eligible for
 25 wage-loss compensation under section 8105 or 8106

1 is injured, or by such other date as the Secretary of
2 Labor determines it would be reasonable under the
3 circumstances for the individual to begin vocational
4 rehabilitation, and if vocational rehabilitation may
5 enable the individual to become capable of more
6 gainful employment, the Secretary of Labor shall di-
7 rect the individual to participate in developing a
8 comprehensive return to work plan and to undergo
9 vocational rehabilitation at a location a reasonable
10 distance from the residence of the individual.”;

11 (B) by striking “the Secretary of Health,
12 Education, and Welfare in carrying out the pur-
13 poses of chapter 4 of title 29” and inserting
14 “the Secretary of Education in carrying out the
15 purposes of the Rehabilitation Act of 1973 (29
16 U.S.C. 701 et seq.)”;

17 (C) by striking “under section 32(b)(1) of
18 title 29” and inserting “under section 5 of the
19 Rehabilitation Act of 1973 (29 U.S.C. 704)”;
20 and

21 (D) by adding at the end the following:

22 “(2) EXCEPTION.—The Secretary of Labor may
23 not direct an individual who has attained retirement
24 age to participate in developing a comprehensive re-

1 turn to work plan or to undergo vocational rehabili-
 2 tation.”;

3 (2) by redesignating subsection (b) as sub-
 4 section (c);

5 (3) by inserting after subsection (a) the fol-
 6 lowing:

7 “(b) CONTENTS OF RETURN TO WORK PLAN.—A re-
 8 turn to work plan developed under subsection (a)—

9 “(1) shall—

10 “(A) set forth specific measures designed
 11 to increase the wage-earning capacity of an in-
 12 dividual;

13 “(B) take into account the prior training
 14 and education of the individual and the train-
 15 ing, educational, and employment opportunities
 16 reasonably available to the individual; and

17 “(C) provide that any employment under-
 18 taken by the individual under the return to
 19 work plan be at a location a reasonable distance
 20 from the residence of the individual;

21 “(2) may provide that the Secretary will pay
 22 out of amounts in the Employees’ Compensation
 23 Fund reasonable expenses of vocational rehabilita-
 24 tion (which may include tuition, books, training fees,

1 supplies, equipment, and child or dependent care)
 2 during the course of the plan; and

3 “(3) may not be for a period of more than 2
 4 years, unless the Secretary finds good cause to grant
 5 an extension, which may be for not more than 2
 6 years.”;

7 (4) in subsection (c), as so redesignated—

8 (A) by inserting “COMPENSATION.—” be-
 9 fore “Notwithstanding”; and

10 (B) by striking “, other than employment
 11 undertaken pursuant to such rehabilitation”;
 12 and

13 (5) by adding at the end the following:

14 “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

15 “(1) IN GENERAL.—The Secretary may enter
 16 into an assisted reemployment agreement with an
 17 agency or instrumentality of any branch of the Fed-
 18 eral Government or a State or local government or
 19 a private employer that employs an individual eligi-
 20 ble for wage-loss compensation under section 8105
 21 or 8106 to enable the individual to return to produc-
 22 tive employment.

23 “(2) CONTENTS.—An assisted reemployment
 24 agreement under paragraph (1)—

1 “(A) may provide that the Secretary will
 2 use amounts in the Employees’ Compensation
 3 Fund to reimburse an employer in an amount
 4 equal to not more than 100 percent of the com-
 5 pensation the individual would otherwise receive
 6 under section 8105 or 8106; and

7 “(B) may not be for a period of more than
 8 3 years.

9 “(e) LIST.—To facilitate the hiring of individuals eli-
 10 gible for wage-loss compensation under section 8105 or
 11 8106, the Secretary shall provide a list of such individuals
 12 to the Office of Personnel Management, which the Office
 13 of Personnel Management shall provide to all agencies and
 14 instrumentalities of the Federal Government.”.

15 (b) TERMINATION OF VOCATIONAL REHABILITATION
 16 REQUIREMENT AFTER RETIREMENT AGE.—Section
 17 8113(b) is amended by adding at the end the following:
 18 “An individual who has attained retirement age may not
 19 be required to undergo vocational rehabilitation.”.

20 (c) MANDATORY BENEFIT REDUCTION FOR NON-
 21 COMPLIANCE.—Section 8113(b) is amended by striking
 22 “may reduce” and inserting “shall reduce”.

23 (d) TECHNICAL AND CONFORMING AMENDMENTS.—

1 (1) IN GENERAL.—Subchapter III of chapter
2 15 of title 31, United States Code, is amended by
3 adding at the end the following:

4 **“§ 1538. Authorization for assisted reemployment**

5 “Funds may be transferred from the Employees’
6 Compensation Fund established under section 8147 of
7 title 5 to the applicable appropriations account for an
8 agency or instrumentality of any branch of the Federal
9 Government for the purposes of reimbursing the agency
10 or instrumentality in accordance with an assisted reem-
11 ployment agreement entered into under section 8104 of
12 title 5.”.

13 (2) TABLE OF SECTIONS.—The table of sections
14 for chapter 15 of title 31, United States Code, is
15 amended by inserting after the item relating to sec-
16 tion 1537 the following:

“1538. Authorization for assisted reemployment.”.

17 **SEC. 306. REPORTING REQUIREMENTS.**

18 (a) IN GENERAL.—Chapter 81 is amended by insert-
19 ing after section 8106 the following:

20 **“§ 8106a. Reporting requirements**

21 “(a) DEFINITION.—In this section, the term ‘em-
22 ployee receiving compensation’ means an employee who—

23 “(1) is paid compensation under section 8105
24 or 8106; and

25 “(2) has not attained retirement age.

1 “(b) AUTHORITY.—The Secretary of Labor shall re-
2 quire an employee receiving compensation to report the
3 earnings of the employee receiving compensation from em-
4 ployment or self-employment, by affidavit or otherwise, in
5 the manner and at the times the Secretary specifies.

6 “(c) CONTENTS.—An employee receiving compensa-
7 tion shall include in a report required under subsection
8 (a) the value of housing, board, lodging, and other advan-
9 tages which are part of the earnings of the employee re-
10 ceiving compensation in employment or self-employment
11 and the value of which can be estimated.

12 “(d) FAILURE TO REPORT AND FALSE REPORTS.—

13 “(1) IN GENERAL.—An employee receiving com-
14 pensation who fails to make an affidavit or other re-
15 port required under subsection (b) or who knowingly
16 omits or understates any part of the earnings of the
17 employee in such an affidavit or other report shall
18 forfeit the right to compensation with respect to any
19 period for which the report was required.

20 “(2) FORFEITED COMPENSATION.—Compensa-
21 tion forfeited under this subsection, if already paid
22 to the employee receiving compensation, shall be re-
23 covered by a deduction from the compensation pay-
24 able to the employee or otherwise recovered under

1 section 8129, unless recovery is waived under that
2 section.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

4 The table of sections for chapter 81 is amended by insert-
5 ing after the item relating to section 8106 the following:
 “8106a. Reporting requirements.”.

6 **SEC. 307. DISABILITY MANAGEMENT REVIEW; INDE-**
7 **PENDENT MEDICAL EXAMINATIONS.**

8 Section 8123 is amended by adding at the end the
9 following:

10 “(e) DISABILITY MANAGEMENT REVIEW.—

11 “(1) DEFINITIONS.—In this subsection—

12 “(A) the term ‘covered employee’ means an
13 employee who is in continuous receipt of com-
14 pensation for total disability under section 8105
15 for a period of not less than 6 months; and

16 “(B) the term ‘disability management re-
17 view process’ means the disability management
18 review process established under paragraph
19 (2)(A).

20 “(2) ESTABLISHMENT.—The Secretary of
21 Labor shall—

22 “(A) establish a disability management re-
23 view process for the purpose of certifying and
24 monitoring the disability status and extent of
25 injury of each covered employee; and

1 “(B) promulgate regulations for the ad-
2 ministration of the disability management re-
3 view process.

4 “(3) PHYSICAL EXAMINATIONS REQUIRED.—
5 Under the disability management review process, the
6 Secretary of Labor shall periodically require covered
7 employees to submit to physical examinations under
8 subsection (a) by physicians selected by the Sec-
9 retary. A physician conducting a physical examina-
10 tion of a covered employee shall submit to the Sec-
11 retary a report regarding the nature and extent of
12 the injury to and disability of the covered employee.

13 “(4) FREQUENCY.—

14 “(A) IN GENERAL.—The regulations pro-
15 mulgated under paragraph (2)(B) shall specify
16 the process and criteria for determining when
17 and how frequently a physical examination
18 should be conducted for a covered employee.

19 “(B) MINIMUM FREQUENCY.—

20 “(i) INITIAL.—An initial physical ex-
21 amination shall be conducted not more
22 than a brief period after the date on which
23 a covered employee has been in continuous
24 receipt of compensation for total disability
25 under section 8015 for 6 months.

1 “(ii) SUBSEQUENT EXAMINATIONS.—

2 After the initial physical examination,
 3 physical examinations of a covered em-
 4 ployee shall be conducted not less than
 5 once every 3 years.

6 “(5) EMPLOYING AGENCY OR INSTRUMEN-
 7 TILITY REQUESTS.—

8 “(A) IN GENERAL.—The agency or instru-
 9 mentality employing an employee who has made
 10 a claim for compensation for total disability
 11 under section 8105 may at any time submit a
 12 request for the Secretary of Labor to promptly
 13 require the employee to submit to a physical ex-
 14 amination under this subsection.

15 “(B) REQUESTING OFFICER.—A request
 16 under subparagraph (A) shall be made on be-
 17 half of an agency or instrumentality by—

18 “(i) the head of the agency or instru-
 19 mentality;

20 “(ii) the Chief Human Capital Officer
 21 of the agency or instrumentality; or

22 “(iii) if the agency or instrumentality
 23 does not have a Chief Human Capital Offi-
 24 cer, an officer with responsibilities similar
 25 to those of a Chief Human Capital Officer

1 designated by the head of the agency or in-
2 strumentality to make requests under this
3 paragraph.

4 “(C) INFORMATION.—A request under sub-
5 paragraph (A) shall be in writing and accom-
6 panied by—

7 “(i) a certification by the officer mak-
8 ing the request that the officer has re-
9 viewed the relevant material in the employ-
10 ee’s file;

11 “(ii) an explanation of why the officer
12 has determined, based on the materials in
13 the file and other information known to
14 the officer, that requiring a physical exam-
15 ination of the employee under this sub-
16 section is necessary; and

17 “(iii) copies of the materials relating
18 to the employee that are relevant to the of-
19 ficer’s determination and request, unless
20 the agency or instrumentality has a rea-
21 sonable basis for not providing the mate-
22 rials.

23 “(D) EXAMINATION.—If the Secretary of
24 Labor receives a request under this paragraph
25 before an employee has undergone an initial

1 physical examination under paragraph
2 (4)(B)(i), the Secretary shall promptly require
3 the physical examination of the employee. A
4 physical examination under this subparagraph
5 shall satisfy the requirement under paragraph
6 (4)(B)(i) that an initial physical examination be
7 conducted.

8 “(E) AFTER INITIAL EXAMINATION.—

9 “(i) IN GENERAL.—If the Secretary of
10 Labor receives a request under this para-
11 graph after an employee has undergone an
12 initial physical examination under para-
13 graph (4)(B)(i), the Secretary shall—

14 “(I) review the request and the
15 information, explanation, and other
16 materials submitted with the request;
17 and

18 “(II) determine whether to re-
19 quire the physical examination of the
20 employee who is the subject of the re-
21 quest.

22 “(ii) NOT GRANTED.—If the Secretary
23 determines not to grant a request de-
24 scribed in clause (i), the Secretary shall
25 promptly notify the officer who made the

1 request and provide an explanation of the
 2 reasons why the request was denied.”.

3 **SEC. 308. WAITING PERIOD.**

4 (a) IN GENERAL.—Section 8117 is amended—

5 (1) in the section heading, by striking “**Time**
 6 **of accrual of right**” and inserting “**Waiting**
 7 **period**”;

8 (2) in subsection (a)—

9 (A) in the matter preceding paragraph (1),
 10 by striking “An employee” and all that follows
 11 through “is not entitled” and inserting “IN
 12 GENERAL.—An employee is not entitled to con-
 13 tinuation of pay within the meaning of section
 14 8118 for the first 3 days of temporary disability
 15 or, if section 8118 does not apply, is not enti-
 16 tled”;

17 (B) in paragraph (1), by adding “or” at
 18 the end;

19 (C) by striking paragraph (2); and

20 (D) by redesignating paragraph (3) as
 21 paragraph (2); and

22 (3) in subsection (b)—

23 (A) by striking “A Postal Service” the first
 24 place it appears and all that follows through “A

1 Postal Service” the second place it appears and
2 inserting “USE OF LEAVE.—An”;

3 (B) by striking “that 3-day period” and in-
4 serting “the first 3 days of temporary dis-
5 ability”; and

6 (C) by striking “or is followed by perma-
7 nent disability”.

8 (b) CONTINUATION OF PAY.—Section 8118 is amend-
9 ed—

10 (1) in the section heading, by striking “; **elec-**
11 **tion to use annual or sick leave**”;

12 (2) in subsection (b)(1), by striking “section
13 8117(b)” and inserting “section 8117”;

14 (3) by striking subsection (c); and

15 (4) by redesignating subsections (d) and (e) as
16 subsections (c) and (d), respectively.

17 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

18 The table of sections for chapter 81 is amended by strik-
19 ing the items relating to sections 8117 and 8118 and in-
20 serting the following:

“8117. Waiting period.

“8118. Continuation of pay.”.

21 **SEC. 309. ELECTION OF BENEFITS.**

22 (a) IN GENERAL.—Section 8116 is amended by add-
23 ing at the end the following:

24 “(e) RETIREMENT BENEFITS.—

1 “(1) IN GENERAL.—An individual entitled to
2 compensation benefits payable under this subchapter
3 and under chapter 83 or 84 or any other retirement
4 system for employees of the Government, for the
5 same period, shall elect which benefits the individual
6 will receive.

7 “(2) ELECTION.—

8 “(A) DEADLINE.—An individual shall
9 make an election under paragraph (1) in ac-
10 cordance with such deadlines as the Secretary
11 of Labor shall establish.

12 “(B) REVOCABILITY.—An election under
13 paragraph (1) shall be revocable, notwith-
14 standing any other provision of law, except for
15 any period during which an individual—

16 “(i) was qualified for benefits payable
17 under both this subchapter and under a re-
18 tirement system described in paragraph
19 (1); and

20 “(ii) was paid benefits under the re-
21 tirement system after having been notified
22 of eligibility for benefits under this sub-
23 chapter.

24 “(3) INFORMED CHOICE.—The Secretary of
25 Labor shall provide information, and shall ensure

1 that information is provided, to an individual de-
 2 scribed in paragraph (1) about the benefits available
 3 to the individual under this subchapter or under
 4 chapter 83 or 84 or any other retirement system re-
 5 ferred to in paragraph (1) the individual may elect
 6 to receive.”.

7 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
 8 Sections 8337(f)(3) and 8464a(a)(3) are each amended by
 9 striking “Paragraphs” and inserting “Except as provided
 10 under chapter 81, paragraphs”.

11 **SEC. 310. SANCTION FOR NONCOOPERATION WITH FIELD**
 12 **NURSES.**

13 Section 8123, as amended by section 307, is amended
 14 by adding at the end the following:

15 “(f) FIELD NURSES.—

16 “(1) DEFINITION.—In this subsection, the term
 17 ‘field nurse’ means a registered nurse that assists
 18 the Secretary in the medical management of dis-
 19 ability claims under this subchapter and provides
 20 claimants with assistance in coordinating medical
 21 care.

22 “(2) AUTHORIZATION.—The Secretary may use
 23 field nurses to coordinate medical services and voca-
 24 tional rehabilitation programs for injured employees
 25 under this subchapter. If an employee refuses to co-

1 operate with a field nurse or obstructs a field nurse
 2 in the performance of duties under this subchapter,
 3 the right to compensation under this subchapter
 4 shall be suspended until the refusal or obstruction
 5 stops.”.

6 **SEC. 311. SUBROGATION OF CONTINUATION OF PAY.**

7 (a) IN GENERAL.—Section 8131 is amended—

8 (1) in subsection (a), in the matter preceding
 9 paragraph (1), by inserting “continuation of pay or”
 10 before “compensation”;

11 (2) in subsection (b), by inserting “continuation
 12 of pay” before compensation; and

13 (3) in subsection (c)—

14 (A) by inserting “continuation of pay or”
 15 before “compensation already paid”; and

16 (B) by inserting “continuation of pay or”
 17 before “compensation payable”.

18 (b) ADJUSTMENT AFTER RECOVERY FROM A THIRD
 19 PERSON.—Section 8132 is amended—

20 (1) in the first sentence—

21 (A) by inserting “continuation of pay or”
 22 before “compensation is payable”;

23 (B) by inserting “continuation of pay or”
 24 before “compensation from the United States”;

1 (C) by striking “by him or in his behalf”
 2 and inserting “by the beneficiary or on behalf
 3 of the beneficiary”;

4 (D) by inserting “continuation of pay and”
 5 before “compensation paid by the United
 6 States”; and

7 (E) by striking “compensation payable to
 8 him” and inserting “continuation of pay or
 9 compensation payable to the beneficiary”;

10 (2) in the second sentence, by striking “his des-
 11 ignee” and inserting “the designee of the bene-
 12 ficiary”; and

13 (3) in the fourth sentence, by striking “If com-
 14 pensation” and all that follows through “payable to
 15 him by the United States” and inserting “If con-
 16 tinuation of pay or compensation has not been paid
 17 to the beneficiary, the money or property shall be
 18 credited against continuation of pay or compensation
 19 payable to the beneficiary by the United States”.

20 **SEC. 312. SOCIAL SECURITY EARNINGS INFORMATION.**

21 Section 8116, as amended by section 308, is amended
 22 by adding at the end the following:

23 “(f) EARNINGS INFORMATION.—Notwithstanding
 24 section 552a or any other provision of Federal or State
 25 law, the Social Security Administration shall make avail-

1 able to the Secretary of Labor, upon written request, the
 2 Social Security earnings information of a living or de-
 3 ceased employee who may have sustained an injury or died
 4 as a result of an injury that is the subject of a claim under
 5 this subchapter required by the Secretary of Labor to
 6 carry out this subchapter.”.

7 **SEC. 313. AMOUNT OF COMPENSATION.**

8 (a) INJURIES TO FACE, HEAD, AND NECK.—Section
 9 8107(c)(21) is amended—

10 (1) by striking “not to exceed \$3,500” and in-
 11 serting “in proportion to the severity of the dis-
 12 figurement, not to exceed \$50,000,”; and

13 (2) by adding at the end the following: “The
 14 maximum amount of compensation under this para-
 15 graph shall be increased on March 1 of each year by
 16 the amount determined by the Secretary of Labor to
 17 represent the percent change in the price index pub-
 18 lished for December of the preceding year over the
 19 price index published for the December of the year
 20 prior to the preceding year, adjusted to the nearest
 21 one-tenth of 1 percent.”.

22 (b) FUNERAL EXPENSES.—Section 8134(a) is
 23 amended—

24 (1) by striking “\$800” and inserting “\$6,000”;
 25 and

1 (2) by adding at the end the following: “The
 2 maximum amount of compensation under this sub-
 3 section shall be increased on March 1 of each year
 4 by the amount determined by the Secretary of Labor
 5 to represent the percent change in the price index
 6 published for December of the preceding year over
 7 the price index published for the December of the
 8 year prior to the preceding year, adjusted to the
 9 nearest one-tenth of 1 percent.”.

10 (c) APPLICATION.—The amendments made by this
 11 section shall apply to injuries or deaths, respectively, oc-
 12 curring on or after the date of enactment of this Act.

13 **SEC. 314. TECHNICAL AND CONFORMING AMENDMENTS.**

14 Chapter 81 is amended—

15 (1) in section 8101(1)(D), by inserting “for an
 16 injury that occurred before the effective date of sec-
 17 tion 204(e) of the District of Columbia Self-Govern-
 18 ment and Governmental Reorganization Act (Public
 19 Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)”
 20 before the semicolon;

21 (2) in section 8139, by inserting “under this
 22 subchapter” after “Compensation awarded”; and

23 (3) in section 8148(a), by striking “section
 24 8106” and inserting “section 8106a”.

1 **SEC. 315. REGULATIONS.**

2 (a) IN GENERAL.—As soon as possible after the date
3 of enactment of this Act, the Secretary of Labor shall pro-
4 mulgate regulations (which may include interim final reg-
5 ulations) to carry out this title.

6 (b) CONTENTS.—The regulations promulgated under
7 subsection (a) shall include, for purposes of the amend-
8 ments made by sections 302 and 303, clarification of—

9 (1) what is a claim; and

10 (2) what is the date on which a period of dis-
11 ability, for which a claim is made, commences.

12 **TITLE IV—OTHER MATTERS**

13 **SEC. 401. PROFITABILITY PLAN.**

14 (a) PLAN REQUIRED.—Not later than 90 days after
15 the date of enactment of this Act, the Postal Service shall
16 submit to the Committee on Homeland Security and Gov-
17 ernmental Affairs of the Senate, the Committee on Over-
18 sight and Government Reform of the House of Represent-
19 atives, the Comptroller General of the United States, and
20 the Commission a plan describing, in detail, the actions
21 the Postal Service will take to—

22 (1) become profitable by fiscal year 2015; and

23 (2) achieve long-term financial solvency.

24 (b) CONSIDERATIONS.—The plan required under sub-
25 section (a) shall take into consideration—

26 (1) the legal authority of the Postal Service;

1 (2) the changes in the legal authority and re-
2 sponsibilities of the Postal Service under this Act;

3 (3) any cost savings that the Postal Service an-
4 ticipates will be achieved through negotiations with
5 employees of the Postal Service; and

6 (4) projected changes in mail volume.

7 (c) UPDATES.—The Postal Service shall update the
8 plan required under subsection (a) not less frequently than
9 quarterly, until the last quarter of fiscal year 2015.

10 **SEC. 402. POSTAL RATES.**

11 (a) COMMISSION STUDY.—

12 (1) IN GENERAL.—Not earlier than 2 years
13 after the date of enactment of this Act, the Commis-
14 sion shall commence a study to determine—

15 (A) whether and to what extent any mar-
16 ket-dominant classes, products, or types of mail
17 services do not bear the direct and indirect
18 costs attributable to those classes, products, or
19 types of mail service; and

20 (B) the impact of any excess mail proc-
21 essing, transportation, or delivery capacity of
22 the Postal Service on the direct and indirect
23 costs attributable to any class that bears less
24 than 100 percent of the costs attributable to

1 the class, as determined under subparagraph
2 (A).

3 (2) REQUIREMENTS.—The Commission shall
4 conduct the study under paragraph (1) in a manner
5 that protects confidential and proprietary business
6 information.

7 (3) HEARING.—Before completing the study
8 under paragraph (1), the Commission shall hold a
9 public hearing, on the record, in order to better in-
10 form the conclusions of the study. The Postal Serv-
11 ice, postal customers, and other interested persons
12 may participate in the hearing under this paragraph.

13 (4) COMPLETION.—Not later than 6 months
14 after the date on which the Commission commences
15 the study under subsection (a), the Commission shall
16 complete the study.

17 (b) ANNUAL UPDATES REQUIRED.—Not later than
18 1 year after the date of completion of the study under
19 subsection (a), and annually thereafter, the Commission
20 shall—

21 (1) determine whether any class of mail bears
22 less than 100 percent of the direct and indirect costs
23 attributable to the class, product, or type of mail
24 service, in the same manner as under subsection
25 (a)(1)(A);

1 (2) for any class of mail for which the Commis-
 2 sion makes a determination under paragraph (1),
 3 update the study under subsection (a); and

4 (3) include the study updated under paragraph
 5 (2) in the annual written determination of the Com-
 6 mission under section 3653 of title 39, United
 7 States Code.

8 (c) POSTAL RATES.—

9 (1) DEFINITION.—In this subsection, the term
 10 “loss-making”, as used with respect to a class of
 11 mail, means a class of mail that bears less than 100
 12 percent of the costs attributable to the class of mail,
 13 according to the most recent annual determination
 14 of the Commission under subsection (a)(1) or (b)(1),
 15 adjusted to account for the quantitative effect of ex-
 16 cess mail processing, transportation, or delivery ca-
 17 pacity of the Postal Service on the costs attributable
 18 to the class of mail.

19 (2) IN GENERAL.—Not later than 1 year after
 20 the date on which the study under subsection (a) is
 21 completed, and annually thereafter, the Postal Serv-
 22 ice shall establish postal rates for each loss-making
 23 class of mail.

24 (3) CONSIDERATIONS.—The Postal Service may
 25 establish postal rates under paragraph (2) in a man-

ner that ensures, to the extent practicable, that a class of mail described in paragraph (2) is not loss-making by—

(A) using the authority to increase rates under section 3622(d)(1)(A) of title 39, United States Code;

(B) exhausting any unused rate adjustment authority, as defined in section 3622(d)(2)(C) of title 39, United States Code, subject to paragraph (4); and

(C) maximizing incentives to reduce costs and increase efficiency with regard to the processing, transportation, and delivery of such mail by the Postal Service.

(4) UNUSED RATE ADJUSTMENT AUTHORITY.—

Section 3622(d)(2)(C) of title 39, United States Code, shall be applied by annually increasing by 2 percentage points any unused rate adjustment authority for a class of mail that bears less than 90 percent of the costs attributable to the class of mail, according to the most recent annual determination of the Commission under subsection (a)(1) or (b)(1), adjusted to account for the quantitative effect of excess mail processing, transportation, or delivery ca-

1 capacity of the Postal Service on the costs attributable
2 to the class of mail.

3 **SEC. 403. COOPERATION WITH STATE AND LOCAL GOVERN-**
4 **MENTS; INTRA-SERVICE AGREEMENTS.**

5 (a) COOPERATION WITH STATE AND LOCAL GOV-
6 ERNMENTS.—Section 411 of title 39, United States Code,
7 is amended, in the first sentence by striking “and the Gov-
8 ernment Printing Office” inserting “, the Government
9 Printing Office, and agencies and other units of State and
10 local governments”.

11 (b) INTRA-SERVICE AGREEMENTS.—Section 411 of
12 title 39, United States Code, as amended by subsection
13 (a), is amended—

14 (1) in the section heading, by adding at the end
15 the following: “**and within the Postal Serv-**
16 **ice**”;

17 (2) in the second sentence, by striking “sec-
18 tion” and inserting “subsection”;

19 (3) by striking “Executive agencies” and insert-
20 ing the following:

21 “(a) COOPERATION WITH STATE AND LOCAL GOV-
22 ERNMENTS.—Executive agencies”; and

23 (4) by adding at the end the following:

24 “(b) COOPERATION WITHIN THE POSTAL SERV-
25 ICE.—The Office of the Inspector General and other com-

ponents of the Postal Service may enter into agreements to furnish to each other property, both real and personal, and personal and nonpersonal services. The furnishing of property and services under this subsection shall be under such terms and conditions, including reimbursability, as the Inspector General and the head of the component concerned shall deem appropriate.”.

(c) TECHNICAL AND CONFORMING AMENDMENT.—
The table of sections for chapter 4 of title 39, United States Code, is amended by striking the item relating to section 411 and inserting the following:

“411. Cooperation with other Government agencies and within the Postal Service.”.

SEC. 404. SHIPPING OF WINE AND BEER.

(a) MAILABILITY.—

(1) NONMAILABLE ARTICLES.—Section 1716(f) of title 18, United States Code, is amended by striking “mails” and inserting “mails, except to the extent that the mailing is allowable under section 3001(p) of title 39”.

(2) APPLICATION OF LAWS.—Section 1161 of title 18, United States Code, is amended, by inserting “, and, with respect to the mailing of wine or malt beverages (as those terms are defined in section 117 of the Federal Alcohol Administration Act (27

1 U.S.C. 211)), is in conformity with section 3001(p)
2 of title 39” after “Register”.

3 (b) REGULATIONS.—Section 3001 of title 39, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 “(p)(1) In this subsection, the terms ‘wine’ and ‘malt
7 beverage’ have the same meanings as in section 117 of
8 the Federal Alcohol Administration Act (27 U.S.C. 211).

9 “(2) Wine or malt beverages shall be considered mail-
10 able if mailed—

11 “(A) by a licensed winery or brewery, in accord-
12 ance with applicable regulations under paragraph
13 (3); and

14 “(B) in accordance with the law of the State,
15 territory, or district of the United States where the
16 addressee or duly authorized agent takes delivery.

17 “(3) The Postal Service shall prescribe such regula-
18 tions as may be necessary to carry out this subsection,
19 including regulations providing that—

20 “(A) the mailing shall be by a means estab-
21 lished by the Postal Service to ensure direct delivery
22 to the addressee or a duly authorized agent;

23 “(B) the addressee (and any duly authorized
24 agent) shall be an individual at least 21 years of
25 age;

1 “(C) the individual who takes delivery, whether
 2 the addressee or a duly authorized agent, shall
 3 present a valid, government-issued photo identifica-
 4 tion at the time of delivery;

5 “(D) the wine or malt beverages may not be for
 6 resale or other commercial purpose; and

7 “(E) the winery or brewery involved shall—

8 “(i) certify in writing to the satisfaction of
 9 the Postal Service, through a registration proc-
 10 ess administered by the Postal Service, that the
 11 mailing is not in violation of any provision of
 12 this subsection or regulation prescribed under
 13 this subsection; and

14 “(ii) provide any other information or af-
 15 firmation that the Postal Service may require,
 16 including with respect to the prepayment of
 17 State alcohol beverage taxes.

18 “(4) For purposes of this subsection—

19 “(A) a winery shall be considered to be licensed
 20 if it holds an appropriate basic permit issued—

21 “(i) under the Federal Alcohol Administra-
 22 tion Act; and

23 “(ii) under the law of the State in which
 24 the winery is located; and

1 “(B) a brewery shall be considered to be li-
2 censed if—

3 “(i) it possesses a notice of registration
4 and bond approved by the Alcohol and Tobacco
5 Tax and Trade Bureau of the Department of
6 the Treasury; and

7 “(ii) it is licensed to manufacture and sell
8 malt beverages in the State in which the brew-
9 ery is located.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect on the earlier of—

12 (1) the date on which the Postal Service issues
13 regulations under section 3001(p) of title 39, United
14 States Code, as amended by this section; and

15 (2) 120 days after the date of enactment of this
16 Act.

17 **SEC. 405. ANNUAL REPORT ON UNITED STATES MAILING IN-**
18 **DUSTRY.**

19 (a) IN GENERAL.—Chapter 24 of title 39, United
20 States Code, is amended by adding at the end the fol-
21 lowing:

22 **“§ 2403. Annual report on the fiscal stability of the**
23 **United States mailing industry**

24 “(a) IN GENERAL.—Not later than 1 year after the
25 date of enactment of this section, and annually thereafter,

1 the Postal Regulatory Commission shall submit a report
 2 on the fiscal stability of the United States mailing indus-
 3 try with respect to the preceding fiscal year to—

4 “(1) the Committee on Homeland Security and
 5 Governmental Affairs of the Senate; and

6 “(2) the Committee on Oversight and Govern-
 7 ment Reform of the House of Representatives.

8 “(b) ASSISTANCE.—The United States Postal Service
 9 and any Federal agency involved in oversight or data col-
 10 lection regarding industry sectors relevant to the report
 11 under subsection (a) shall provide any assistance to the
 12 Postal Regulatory Commission that the Postal Regulatory
 13 Commission determines is necessary in the preparation of
 14 a report under subsection (a).”.

15 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 16 The table of sections for chapter 24 of title 39, United
 17 States Code, is amended by adding at the end the fol-
 18 lowing:

“2403. Annual report on the fiscal stability of the United States mailing indus-
 try.”.

19 **SEC. 406. USE OF NEGOTIATED SERVICE AGREEMENTS.**

20 Section 3622 of title 39, United States Code, is
 21 amended—

22 (1) in subsection (c)(10)(A)—

23 (A) in the matter preceding clause (i), by
 24 striking “either” and inserting “will”;

1 (B) in clause (i), by striking “or” at the
2 end;

3 (C) in clause (ii), by striking “and” at the
4 end and inserting “or”; and

5 (D) by adding at the end the following:

6 “(iii) preserve mail volume and rev-
7 enue; and”; and

8 (2) by adding at the end the following:

9 “(g) COORDINATION.—The Postal Service and the
10 Postal Regulatory Commission shall coordinate actions to
11 identify methods to increase the use of negotiated service
12 agreements for market-dominant products by the Postal
13 Service consistent with subsection (c)(10).”.

14 **SEC. 407. CONTRACT DISPUTES.**

15 Section 7101(8) of title 41, United States Code, is
16 amended—

17 (1) in subparagraph (C), by striking “and” at
18 the end;

19 (2) in subparagraph (D), by striking the period
20 at the end and inserting “; and”; and

21 (3) by adding at the end the following:

22 “(E) the United States Postal Service and
23 the Postal Regulatory Commission.”.

1 **SEC. 408. CONTRACTING PROVISIONS.**

2 (a) IN GENERAL.—Part I of title 39, United States
3 Code, is amended by adding at the end the following:

4 **“CHAPTER 7—CONTRACTING PROVISIONS**

“Sec.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

“704. Posting of noncompetitive purchase requests for noncompetitive contracts.

“705. Review of ethical issues.

“706. Ethical restrictions on participation in certain contracting activity.

5 **“§ 701. Definitions**

6 “In this chapter—

7 “(1) the term ‘contracting officer’ means an
8 employee of a covered postal entity who has author-
9 ity to enter into a postal contract;

10 “(2) the term ‘covered postal entity’ means—

11 “(A) the United States Postal Service; or

12 “(B) the Postal Regulatory Commission;

13 “(3) the term ‘head of a covered postal entity’
14 means—

15 “(A) in the case of the United States Post-
16 al Service, the Postmaster General; or

17 “(B) in the case of the Postal Regulatory
18 Commission, the Chairman of the Postal Regu-
19 latory Commission;

20 “(4) the term ‘postal contract’ means any con-
21 tract (including any agreement or memorandum of

1 understanding) entered into by a covered postal enti-
 2 ty for the procurement of goods or services; and

3 “(5) the term ‘senior procurement executive’
 4 means the senior procurement executive of a covered
 5 postal entity.

6 **“§ 702. Advocate for competition**

7 “(a) ESTABLISHMENT AND DESIGNATION.—

8 “(1) There is established in each covered postal
 9 entity an advocate for competition.

10 “(2) The head of each covered postal entity
 11 shall designate for the covered postal entity 1 or
 12 more officers or employees (other than the senior
 13 procurement executive) to serve as the advocate for
 14 competition.

15 “(b) RESPONSIBILITIES.—The advocate for competi-
 16 tion of each covered postal entity shall—

17 “(1) be responsible for promoting competition
 18 to the maximum extent practicable consistent with
 19 obtaining best value by promoting the acquisition of
 20 commercial items and challenging barriers to com-
 21 petition;

22 “(2) review the procurement activities of the
 23 covered postal entity; and

24 “(3) prepare and transmit to the head of each
 25 covered postal entity, the senior procurement execu-

tive of each covered postal entity, the Board of Governors of the United States Postal Service, and Congress, an annual report describing—

“(A) the activities of the advocate under this section;

“(B) initiatives required to promote competition;

“(C) barriers to competition that remain; and

“(D) the number of waivers made by each covered postal entity under section 704(c).

“§ 703. Delegation of contracting authority

“(a) IN GENERAL.—

“(1) POLICY.—Not later than 60 days after the date of enactment of the 21st Century Postal Service Act of 2011, the head of each covered postal entity shall issue a policy on contracting officer delegations of authority for the covered postal entity.

“(2) CONTENTS.—The policy issued under paragraph (1) shall require that—

“(A) notwithstanding any delegation of authority with respect to postal contracts, the ultimate responsibility and accountability for the award and administration of postal contracts

1 resides with the senior procurement executive;
2 and

3 “(B) a contracting officer shall maintain
4 an awareness of and engagement in the activi-
5 ties being performed on postal contracts of
6 which that officer has cognizance, notwith-
7 standing any delegation of authority that may
8 have been executed.

9 “(b) POSTING OF DELEGATIONS.—

10 “(1) IN GENERAL.—The head of each covered
11 postal entity shall make any delegation of authority
12 for postal contracts outside the functional con-
13 tracting unit readily available and accessible on the
14 website of the covered postal entity.

15 “(2) EFFECTIVE DATE.—This paragraph shall
16 apply to any delegation of authority made on or
17 after 30 days after the date of enactment of the 21st
18 Century Postal Service Act of 2011.

19 **“§ 704. Posting of noncompetitive purchase requests**
20 **for noncompetitive contracts**

21 “(a) POSTING REQUIRED.—

22 “(1) POSTAL REGULATORY COMMISSION.—The
23 Postal Regulatory Commission shall make the non-
24 competitive purchase request for any noncompetitive
25 award, including the rationale supporting the non-

1 competitive award, publicly available on the website
 2 of the Postal Regulatory Commission—

3 “(A) not later than 14 days after the date
 4 of the award of the noncompetitive contract; or

5 “(B) not later than 30 days after the date
 6 of the award of the noncompetitive contract, if
 7 the basis for the award was a compelling busi-
 8 ness interest.

9 “(2) UNITED STATES POSTAL SERVICE.—The
 10 United States Postal Service shall make the non-
 11 competitive purchase request for any noncompetitive
 12 award of a postal contract valued at \$250,000 or
 13 more, including the rationale supporting the non-
 14 competitive award, publicly available on the website
 15 of the United States Postal Service—

16 “(A) not later than 14 days after the date
 17 of the award; or

18 “(B) not later than 30 days after the date
 19 of the award, if the basis for the award was a
 20 compelling business interest.

21 “(3) ADJUSTMENTS TO THE POSTING THRESH-
 22 OLD FOR THE UNITED STATES POSTAL SERVICE.—

23 “(A) REVIEW AND DETERMINATION.—Not
 24 later than January 31 of each year, the United
 25 States Postal Service shall—

1 “(i) review the \$250,000 threshold es-
2 tablished under paragraph (2); and

3 “(ii) based on any change in the Con-
4 sumer Price Index for all-urban consumers
5 of the Department of Labor, determine
6 whether an adjustment to the threshold
7 shall be made.

8 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
9 justment under subparagraph (A) shall be made
10 in increments of \$5,000. If the United States
11 Postal Service determines that a change in the
12 Consumer Price Index for a year would require
13 an adjustment in an amount that is less than
14 \$5,000, the United States Postal Service may
15 not make an adjustment to the threshold for
16 the year.

17 “(4) EFFECTIVE DATE.—This subsection shall
18 apply to any noncompetitive contract awarded on or
19 after the date that is 90 days after the date of en-
20 actment of the 21st Century Postal Service Act of
21 2011.

22 “(b) PUBLIC AVAILABILITY.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 the information required to be made publicly avail-
25 able by a covered postal entity under subsection (a)

1 shall be readily accessible on the website of the cov-
2 ered postal entity.

3 “(2) PROTECTION OF PROPRIETARY INFORMA-
4 TION.—A covered postal entity shall—

5 “(A) carefully screen any description of the
6 rationale supporting a noncompetitive award re-
7 quired to be made publicly available under sub-
8 section (a) to determine whether the description
9 includes proprietary data (including any ref-
10 erence or citation to the proprietary data) or se-
11 curity-related information; and

12 “(B) remove any proprietary data or secu-
13 rity-related information before making publicly
14 available a description of the rational sup-
15 porting a noncompetitive award.

16 “(c) WAIVERS.—

17 “(1) WAIVER PERMITTED.—If a covered postal
18 entity determines that making a noncompetitive pur-
19 chase request publicly available would risk placing
20 the United States Postal Service at a competitive
21 disadvantage relative to a private sector competitor,
22 the senior procurement executive, in consultation
23 with the advocate for competition of the covered
24 postal entity, may waive the requirements under
25 subsection (a).

1 “(2) FORM AND CONTENT OF WAIVER.—

2 “(A) FORM.—A waiver under paragraph
3 (1) shall be in the form of a written determina-
4 tion placed in the file of the contract to which
5 the noncompetitive purchase agreement relates.

6 “(B) CONTENT.—A waiver under para-
7 graph (1) shall include—

8 “(i) a description of the risk associ-
9 ated with making the noncompetitive pur-
10 chase request publicly available; and

11 “(ii) a statement that redaction of
12 sensitive information in the noncompetitive
13 purchase request would not be sufficient to
14 protect the United States Postal Service
15 from being placed at a competitive dis-
16 advantage relative to a private sector com-
17 petitor.

18 “(3) DELEGATION OF WAIVER AUTHORITY.—A
19 covered postal entity may not delegate the authority
20 to approve a waiver under paragraph (1) to any em-
21 ployee having less authority than the senior procure-
22 ment executive.

23 **“§ 705. Review of ethical issues**

24 “If a contracting officer identifies any ethical issues
25 relating to a proposed contract and submits those issues

1 and that proposed contract to the designated ethics official
 2 for the covered postal entity before the awarding of that
 3 contract, that ethics official shall—

4 “(1) review the proposed contract; and

5 “(2) advise the contracting officer on the appro-
 6 priate resolution of ethical issues.

7 **“§ 706. Ethical restrictions on participation in certain**
 8 **contracting activity**

9 “(a) DEFINITIONS.—In this section—

10 “(1) the term ‘covered employee’ means—

11 “(A) a contracting officer; or

12 “(B) any employee of a covered postal en-
 13 tity whose decisionmaking affects a postal con-
 14 tract as determined by regulations prescribed
 15 by the head of a covered postal entity;

16 “(2) the term ‘covered relationship’ means a
 17 covered relationship described in section
 18 2635.502(b)(1) of title 5, Code of Federal Regula-
 19 tions, or any successor thereto; and

20 “(3) the term ‘final conviction’ means a convic-
 21 tion, whether entered on a verdict or plea, including
 22 a plea of nolo contendere, for which a sentence has
 23 been imposed.

24 “(b) IN GENERAL.—

1 “(1) REGULATIONS.—The head of each covered
2 postal entity shall prescribe regulations that—

3 “(A) require a covered employee to include
4 in the file of any noncompetitive purchase re-
5 quest for a noncompetitive postal contract a
6 written certification that—

7 “(i) discloses any covered relationship
8 of the covered employee; and

9 “(ii) the covered employee will not
10 take any action with respect to the non-
11 competitive purchase request that affects
12 the financial interests of a friend, relative,
13 or person with whom the covered employee
14 is affiliated in a nongovernmental capacity,
15 or otherwise gives rise to an appearance of
16 the use of public office for private gain, as
17 described in section 2635.702 of title 5,
18 Code of Federal Regulations, or any suc-
19 cessor thereto;

20 “(B) require a contracting officer to con-
21 sult with the ethics counsel for the covered
22 postal entity regarding any disclosure made by
23 a covered employee under subparagraph (A)(i),
24 to determine whether participation by the cov-
25 ered employee in the noncompetitive purchase

1 request would give rise to a violation of part
2 2635 of title 5, Code of Federal Regulations
3 (commonly referred to as the ‘Standards of
4 Ethical Conduct for Employees of the Executive
5 Branch’);

6 “(C) require the ethics counsel for a cov-
7 ered postal entity to review any disclosure made
8 by a contracting officer under subparagraph
9 (A)(i) to determine whether participation by the
10 contracting officer in the noncompetitive pur-
11 chase request would give rise to a violation of
12 part 2635 of title 5, Code of Federal Regula-
13 tions (commonly referred to as the ‘Standards
14 of Ethical Conduct for Employees of the Execu-
15 tive Branch’), or any successor thereto;

16 “(D) under subsections (d) and (e) of sec-
17 tion 2635.50 of title 5, Code of Federal Regula-
18 tions, or any successor thereto, require the eth-
19 ics counsel for a covered postal entity to—

20 “(i) authorize a covered employee that
21 makes a disclosure under subparagraph
22 (A)(i) to participate in the noncompetitive
23 postal contract; or

24 “(ii) disqualify a covered employee
25 that makes a disclosure under subpara-

1 graph (A)(i) from participating in the non-
 2 competitive postal contract;

3 “(E) require a contractor to timely disclose
 4 to the contracting officer in a bid, solicitation,
 5 award, or performance of a postal contract any
 6 conflict of interest with a covered employee; and

7 “(F) include authority for the head of the
 8 covered postal entity to a grant a waiver or oth-
 9 erwise mitigate any organizational or personal
 10 conflict of interest, if the head of the covered
 11 postal entity determines that the waiver or miti-
 12 gation is in the best interests of the Postal
 13 Service.

14 “(2) POSTING OF WAIVERS.—Not later than 30
 15 days after the head of a covered postal entity grants
 16 a waiver described in paragraph (1)(F), the head of
 17 the covered postal entity shall make the waiver pub-
 18 licly available on the website of the covered postal
 19 entity.

20 “(c) CONTRACT VOIDANCE AND RECOVERY.—

21 “(1) UNLAWFUL CONDUCT.—In any case in
 22 which there is a final conviction for a violation of
 23 any provision of chapter 11 of title 18 relating to a
 24 postal contract, the head of a covered postal entity
 25 may—

1 “(A) void that contract; and

2 “(B) recover the amounts expended and
3 property transferred by the covered postal enti-
4 ty under that contract.

5 “(2) OBTAINING OR DISCLOSING PROCUREMENT
6 INFORMATION.—

7 “(A) IN GENERAL.—In any case where a
8 contractor under a postal contract fails to time-
9 ly disclose a conflict of interest to the appro-
10 priate contracting officer as required under the
11 regulations promulgated under subsection
12 (b)(1)(D), the head of a covered postal entity
13 may—

14 “(i) void that contract; and

15 “(ii) recover the amounts expended
16 and property transferred by the covered
17 postal entity under that contract.

18 “(B) CONVICTION OR ADMINISTRATIVE DE-
19 TERMINATION.—A case described under sub-
20 paragraph (A) is any case in which—

21 “(i) there is a final conviction for an
22 offense punishable under section 27(e) of
23 the Office of Federal Procurement Policy
24 Act (41 U.S.C. 423(e)); or

1 “(ii) the head of a covered postal enti-
 2 ty determines, based upon a preponderance
 3 of the evidence, that the contractor or
 4 someone acting for the contractor has en-
 5 gaged in conduct constituting an offense
 6 punishable under section 27(e) of that
 7 Act.”.

8 (b) TECHNICAL AND CONFORMING AMENDMENT.—
 9 The table of chapters for part I of title 39, United States
 10 Code, is amended by adding at the end the following:

“7. Contracting Provisions 701”.

